

By Mrs. DWYER:

H.R. 11348. A bill for the relief of Mr. Allan V. Farmer, his wife Madge-Isobel, and three children, Allana Catherine, Nancy Heather, and Julian Madge; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 11349. A bill for the relief of Manuel Tavares Melo; to the Committee on the Judiciary.

By Mr. KREBS:

H.R. 11350. A bill for the relief of Stanley Pulczynski; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 11351. A bill for the relief of Mr. and Mrs. Edouard Abdul Karim Naim and their children, Alexis Edouard, Gebrail Edouard, and Sylvania Edouard Naim; to the Committee on the Judiciary.

H.R. 11352. A bill for the relief of Mrs. Irene Darzenta; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 11353. A bill for the relief of CWO Maurice Klatch, U.S. Coast Guard Reserve; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII,

273. Mr. KING of Utah presented a petition of the North American Association of Alcoholism Programs, the Christopher D. Smithers Foundation, and the National Council on Alcoholism, concerning alcoholism control activity at the Federal level, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, SEPTEMBER 29, 1965

The Senate met at 12 o'clock meridian, and was called to order by Hon. DANIEL K. INOUE, a Senator from the State of Hawaii.

Bishop Kenneth W. Copeland, D.D., S.T.D., LL.D., resident bishop, Nebraska area of the Methodist Church, of Lincoln, Nebr., offered the following prayer:

Dear God and Father of us all, we praise Thee for Thy matchless love for all people and for the right to life, liberty, and the pursuit of happiness. Forgive us when we insist on our liberty yet fail to respond with our loyalty; when we would welcome our opportunities but would refuse to accept our obligations, and especially when we receive the gifts of life while we reject the Giver of life.

We thank Thee for the United States of America, this great country whose sons and daughters we are and in whose bosom we have learned the meaning of freedom and brotherhood. We thank Thee for the Senate, this body of men and women charged with such destiny-making responsibilities. Grant them wisdom; grant them courage for the creative tasks to which they set their minds and their hearts. Keep ever before them the light of Thy truth and the presence of Thy spirit.

Bring to our troubled world Thy peace, O Thou Prince of Peace, by Thy power and through our obedience unto Thee. Give mankind both the knowledge and the courage to translate the instruments that make for war into the implements that make for peace. Help us to eradi-

cate from the earth the basic enemies of mankind: illiteracy, illness, and hunger. By Thy great might, O God, save us from fear, hatred, greed, and impurity of life. Let Thy light shine through our darkness and despair, and let our hearts know the peace that passes understanding. Lead on, O King Eternal, we humbly pray in the spirit and name of our blessed Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE,

Washington, D.C., September 29, 1965.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. DANIEL K. INOUE, a Senator from the State of Hawaii, to perform the duties of the Chair during my absence.

CARL HAYDEN,

President pro tempore.

Mr. INOUE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 28, 1965, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Geisler, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2580) to amend the Immigration and Nationality Act, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. FEIGHAN, Mr. CHELF, Mr. RODINO, Mr. DONOHUE, Mr. BROOKS, Mr. McCULLOCH, Mr. MOORE, and Mr. CAHILL were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1065. An act to authorize the Secretary of the Interior to acquire through exchange the Great Falls property in the State of Virginia for administration in connection with the George Washington Memorial Parkway, and for other purposes;

S. 1620. An act to consolidate the two judicial districts in the State of South Carolina into a single judicial district and to make suitable transitional provisions with respect thereto; and

S. 1766. An act to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-

public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of September 28, 1965, the following report of a committee was submitted subsequent to adjournment on September 28, 1965:

By Mr. BIBLE, from the Committee on the District of Columbia, with amendments:

S. 1719. A bill to authorize compensation for overtime work performed by officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, the U.S. Park Police force, and the White House Police force, and for other purposes (Rept. No. 793).

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements during the transaction of routine morning business be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

William H. Stewart, of Maryland, to be Surgeon General of the Public Health Service.

PROTOCOL TO CONVENTION WITH GERMANY RELATING TO DOUBLE TAXATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive I, 89th Congress, 1st session, a Convention Between the United States and Germany for the Avoidance of Double Taxation With Respect to Taxes on Income, signed at Bonn, September 17, 1965, modifying the convention of July 22, 1954, which was transmitted to the Senate today. I ask unanimous consent that the protocol, together with the President's message, be referred to the Committee on Foreign Relations, and

that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit the protocol between the United States of America and the Federal Republic of Germany, signed at Bonn on September 17, 1965, modifying the convention of July 22, 1954, for the avoidance of double taxation with respect to taxes on income.

I transmit also for the information of the Senate the report of the Secretary of State with respect to the protocol. The protocol has the approval of the Department of State and the Department of the Treasury.

Modification of the 1954 convention in certain respects has been made advisable by reason, not only of experience in the application of the convention since its entry into force, but also of some relevant changes in the tax system of the Federal Republic of Germany. The protocol to effect certain desirable modifications has been formulated as a result of a long period of technical discussions between officials of the two countries.

Some of the modifications are designed to effect improvements in the provisions of the convention and bring them more nearly into line with corresponding provisions in the more recent income tax conventions concluded by the United States. The convention would be expanded, for some purposes, to cover certain Federal Republic taxes which are not taxes on income as such, thus increasing the tax relief available to American enterprises. U.S. residents and companies would also derive special benefit from new provisions, unilateral in application, that would exempt them from Federal Republic capital taxes with respect to certain forms of property. American nonprofit institutions would be accorded exemption from Federal Republic tax comparable with that accorded Federal Republic nonprofit institutions under U.S. law.

The protocol would make various other important amendments or would insert in the convention important new provisions relating to the taxation of industrial and commercial profits, the withholding tax rate on dividends, an extension of the tax exemption of interest to cover interest on debts secured by mortgages, an extension of the tax exemption of royalties to cover payments for know-how and gains from the disposition of property or rights which give rise to royalties, a clarification of the provisions dealing with income from real property, the granting of reciprocal exemption with respect to capital gains other than gains on real property, a broadening of the exemption with respect to personal service income, a broadening of the provisions dealing with governmental salaries, wages, and pensions to cover injury or damage sustained as a result of hostil-

ities or political persecution, a modification of the credit article of the convention as applied to shareholders other than Federal Republic parent companies of U.S. subsidiaries, the disclosure of tax information to courts or administrative bodies concerned with tax assessment and collection, and an improvement in the convention provisions dealing with taxpayer claims in order to prevent double taxation contrary to the convention.

Upon entry into force, the protocol would become in effect an integral part of the 1954 convention.

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 29, 1965.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of Francis Keppel, of Massachusetts, to be an Assistant Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

STATEMENT BY SENATOR MANSFIELD BEFORE THE DEMOCRATIC CONFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement made before the Democratic conference on yesterday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MIKE MANSFIELD BEFORE THE DEMOCRATIC CONFERENCE, SEPTEMBER 28, 1965, ROOM S-208, THE CAPITOL, 2 P.M.

The leadership shared the general hope of an early adjournment, did the best it could to bring it about and was unsuccessful. The understanding which has been shown at this failure to meet the tentative adjournment goal of "around Labor Day" is deeply appreciated. The cooperation of the committee

chairmen and the Members in this connection is also appreciated. I am most grateful that the cooperation is continuing, to the end that we may wind up this session in an orderly fashion.

This will be, I hope, the last meeting of the Democratic conference for the 1st session of the 89th Congress although I cannot guarantee it. It has been an exceptional session. You who made it so are well aware of that fact so there is no need to dwell upon its achievements. Difficulty with adjournment may yet obscure the contribution which this Congress has made but it will in no way diminish its importance to the Nation.

I want to say in connection with 14(b) that the leadership has no intention of treating this item any differently than the other major controversies with which, previously, it has had to cope. It will not pursue exercises in procedural futility. That was avoided in connection with civil rights, with legislative reapportionment, and any number of other controversial measures. Insofar as the leadership is concerned, the treatment of 14(b) will be in accord with past practices. The leadership will be prepared to propose orderly procedures but, in this as in any other matter, it is the Senate as a whole which disposes.

In the light of the uncertain situation on 14(b), I do not know when adjournment can be anticipated and venture no further predictions. But I do know that it is not too early, even now, to be looking beyond this session to the work of the Senate in the 2d session of the 89th Congress.

The President has stated that "we look forward to the Congress being able to get out of here early next year. I would say certainly far ahead of the fiscal year in June." I hope that will be the case and recent experience obviously suggests a prudent caution. I welcome and applaud the President's view that he does "not expect anything like the volume of the substantive legislation next year," from the Congress.

The scope of achievements in the last 8 or 9 months makes any repetition of the volume of significant legislation which has been cleared in the present session not only unlikely but, in my judgment, undesirable. That is not to say that during the second session we may expect nothing in the way of proposals for new initiating legislation in the President's messages or from Senators themselves. Even less does it mean that we will be able to take it easy for the first half of 1966. What is indicated, it seems to me, is that barring some extraordinary crisis in foreign policy the main concern of the Senate in the second session will be the perfection, the elaboration, and the refinement of the basic legislation which underpins major Federal programs and, particularly, the legislation which has been put into the statute books during the past 3 or 4 years. Indeed, that is likely to be the main concern not only for the next session but for some time to come.

It is with that expectation in mind that I would like to suggest to the conference that thought should be given in the weeks ahead to the frequently mentioned but generally underexercised congressional function of legislative oversight. I would suggest, in particular, that the committee chairmen consult with their committee members prior to the next session, on how this function may be more effectively and fully exercised, within the scope of the committee's assigned responsibilities.

It is hardly possible to set in legislative motion so many new Federal approaches to the Nation's problems—as we have done in recent years—without leaving a number of gaps and any number of rough edges, overextensions and overlaps. The best time to catch these shortcomings, it seems to me, is

before they become solidified by repetition into the administrative practices of the departments and agencies. The executive branch, itself, under the eye of the President and his administration, will, of course, be alert to these problems. In the Senate, the Appropriations Committee and the Government Operations Committee will, of course, be concerned with them.

In any event it seems to me unreasonable to expect too much in the way of examination of the evolution of these new programs from the committees which I have mentioned. They are necessarily immersed in the current activity of the Government and in specific problems as they may arise or may be brought to light. They can hardly be expected to take on the immense additional task of oversight in connection with the Federal programs of great magnitude which have been initiated. It is the legislative committees it seems to me, in consultation with the Appropriations and Government Operations Committees to be sure, to which we must largely look for the function of oversight to be exercised in a thorough fashion.

The committees which are responsible for the initiating legislation on the major programs should not merely sit and wait, it seems to me, for the departments and agencies to present them with legislative suggestions for corrective or elaborative legislation. It would be most desirable, in my judgment, that the Senate, itself, take a measure of legislative initiative. If it is to do so, it is essential that the committee formulate specific approaches to the oversight of some of the major undertakings of the past several years with a view to bringing in to the Senate during the next session, such corrective, contractive, or elaborative legislation as may be indicated.

The leadership would hope to meet with the committee chairman in January to see what has been developed and to help in any way it can to advance this work. A contribution from the Senate along these lines could be of great help to the President and the cooperation of his administration is to be anticipated.

I would point out in this connection that the Armed Service Committee under the distinguished chairmanship of Senator RUSSELL has exercised a consistent oversight in military affairs for many years and this has redounded to the good of the armed services themselves as well as to the credit of the Senate. In that connection there has been a maximum of Senate contribution to the effective design and execution of public policy in matters of defense.

The Senate can and should make every effort to keep the major Federal programs on the right track—to keep them there, or to return them to it—as the case may be. That, too, is a way of serving the Nation's needs, no less vital perhaps than was the enactment of these programs in the first place.

Before opening the meeting to discussion, I want to address myself briefly to the extraordinary services of the younger members of the conference during the current year—younger in length of service and, in most cases, in terms of years.

In all the time I have been in Congress, I do not recall a greater individual and collective contribution in such a short period than that which has been made by our younger colleagues. They have been seen and heard and in a most responsible and effective fashion. They have acted, in every sense, as leaders of the Nation which every Member becomes on entering the Senate.

I am delighted with this development and will certainly do everything that I can to encourage its continuance. The committee chairmen have done a great service by encouraging the younger Members to take on

the degree of leadership responsibility which they have carried during this session.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMISSARY OPERATIONS OF FEDERAL AVIATION AGENCY

A letter from the Acting Administrator, Federal Aviation Agency, Washington, D.C., transmitting, pursuant to law, a report on commissary operations of that Agency, for the fiscal year 1965 (with an accompanying report); to the Committee on Appropriations.

ECONOMIC AND SOCIAL DEVELOPMENT IN RYUKYU ISLANDS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the act providing for the economic and social development in the Ryukyu Islands (with an accompanying paper); to the Committee on Armed Services.

PROPOSED LEGISLATION RELATING TO DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior, transmitting three drafts of proposed legislation to establish a revolving fund for the Southeastern Power Administration; to establish a revolving fund for the Southwestern Power Administration; and to establish a revolving fund for the Bonneville Power Administration (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT UNDER MILITARY PERSONNEL AND CIVILIAN EMPLOYEES' CLAIMS ACT

A letter from the Director, U.S. Information Agency, Washington, D.C., reporting, pursuant to law, on claims paid under the Military Personnel and Civilian Employees' Claims Act of 1964, during the period September 1, 1964, through August 31, 1965; to the Committee on the Judiciary.

APPLICATIONS FOR WRITS OF HABEAS CORPUS BY PERSONS IN CUSTODY PURSUANT TO JUDGMENTS OF STATE COURTS

A letter from the Deputy Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation relating to applications for writs of habeas corpus by persons in custody pursuant to judgments of State courts (with accompanying papers); to the Committee on the Judiciary.

REPORT OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

A letter from the Chairman, Board of Trustees of the John F. Kennedy Center for the Performing Arts, transmitting, pursuant to law, a report of that Center, for the period July 1, 1964, through June 30, 1965 (with an accompanying report); to the Committee on Public Works.

DISPOSAL OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. MONRONEY and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

The petition of Marija Ratniers, of Hartford, Conn., relating to the liberation of the Baltic States; to the Committee on Foreign Relations.

A resolution adopted by the Ninth Annual Utah State AFL-CIO Convention, favoring the enactment of Senate bill 1781, to prohibit trafficking in strikebreakers; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIER, from the Committee on Banking and Currency, without amendment:

S. 2542. A bill to amend the Small Business Act (Rept. No. 794).

By Mr. RANDOLPH, from the Committee on Post Office and Civil Service, without amendment:

H.R. 6165. An act to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments (Rept. No. 795).

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment:

H.J. Res. 673. Joint resolution making continuing appropriations for the fiscal year 1966, and for other purposes (Rept. No. 796).

By Mr. TYDINGS, from the Committee on the District of Columbia, without amendment:

S. 1316. A bill to authorize the Commissioners of the District of Columbia to enter into joint contracts for supplies and services on behalf of the District of Columbia and for other political divisions and subdivisions in the National Capital region (Rept. No. 797).

BILLS INTRODUCED

Bills were introduced, read, the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCLELLAN (for himself, and Senators JACKSON, ERVIN, RIBICOFF, HARRIS, LAUSCHE, and MUNDT):

S. 2575. A bill to strengthen certain laws relating to banking; to the Committee on Banking and Currency.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. MCINTYRE (for himself and Mr. BATH):

S. 2576. A bill to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MCINTYRE when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

EXPRESSION OF SENSE OF THE SENATE WITH RESPECT TO THE INTER-AMERICAN POLICIES OF THE UNITED STATES

Mr. MORSE (for himself, Mr. CLARK, and Mr. YOUNG of Ohio) submitted a resolution (S. Res. 150) expressing the sense of the Senate with respect to the inter-American policies of the United States, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

HUMANE TREATMENT OF ANIMALS USED FOR SCIENTIFIC PURPOSES

Mr. MCINTYRE. Mr. President, on behalf of the Senator from Indiana [Mr. BAYH] and myself, I introduce, for appropriate reference, a bill to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research.

This bill has the endorsement of two of the major American organizations concerned with the humane treatment of animals, the American Humane Association and the Humane Society of the United States.

I am very proud that this bill represents, in great part, the untiring efforts of one of my constituents, Mrs. Frances Holway of Rye, N.H. While the bill in its present form represents the thoughts and efforts of many persons and organizations, it was Mrs. Holway's pioneer work which brought it to my attention.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2576) to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research, introduced by Mr. MCINTYRE (for himself and Mr. BAYH), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF TITLE I OF TARIFF ACT OF 1930, RELATING TO LIM- ITATION OF BUTTON BLANKS— AMENDMENT

AMENDMENT NO. 461

Mr. LONG of Louisiana submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H.R. 7621) to amend title I of the Tariff Act of 1930 to limit button blanks to raw or crude blanks suitable for manufacture into buttons, which was referred to the Committee on Finance, and ordered to be printed.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—AMENDMENT

AMENDMENT NO. 462

Mr. McNAMARA submitted an amendment, intended to be proposed by him, to the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL

Mr. LONG of Louisiana. Mr. President, at its next printing, I ask unanimous consent that the name of the junior Senator from Washington [Mr. JACK-

SON] be added as a cosponsor of the bill (S. 2567) to amend and extend the provisions of the Sugar Act of 1948, as amended.

The PRESIDING OFFICER (Mr. MONROYA in the chair). Without objection, it is so ordered.

AMENDMENT AND EXTENSION OF PROVISIONS OF SUGAR ACT OF 1948—ADDITIONAL COSPONSOR OF BILL

In the RECORD of September 28, 1965, the name of the Senator from Florida [Mr. SMATHERS] was inadvertently omitted as as cosponsor of the bill (S. 2567) to amend and extend the provisions of the Sugar Act of 1948, as amended, which was introduced by Mr. LONG of Louisiana (for himself and other Senators).

ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of September 21, 1965, the names of Mr. INOUYE, Mr. MUNDT, and Mr. SCOTT were added as additional cosponsors of the bill (S. 2548) to amend title 18 of the United States Code so as to prohibit the transmission of certain matter which defames or reflects injuriously upon racial or religious groups, introduced by Mr. CLARK on September 21, 1965.

NOTICE OF HEARING ON S. 2499, TO AMEND THE SMALL BUSINESS ACT TO AUTHORIZE ISSUANCE AND SALE OF PARTICIPATION INTER- ESTS BASED ON CERTAIN POOLS OF LOANS HELD BY THE SMALL BUSINESS ADMINISTRATION

Mr. PROXMIRE. Mr. President, I should like to announce that the Subcommittee on Small Business of the Committee on Banking and Currency will hold a hearing on S. 2499, a bill to amend the Small Business Act to authorize issuance and sale of participation interests based on certain pools of loans held by the Small Business Administration, and for other purposes.

The hearing will be held on Thursday, October 7, 1965, at 10 a.m., in room 5302, New Senate Office Building.

Any persons who wish to appear and testify in connection with this bill are requested to notify Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C., telephone 225-3921.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 29, 1965, he presented to the President of the United States the following enrolled bills:

S. 1065. An act to authorize the Secretary of the Interior to acquire through exchange the Great Falls property in the State of Virginia for administration in connection with the George Washington Memorial Parkway, and for other purposes;

S. 1620. An act to consolidate the two judicial districts in the State of South Carolina into a single judicial district and to make suitable transitional provisions with respect thereto; and

S. 1766. An act to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporation not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes.

A SPECIES OF BIRD THAT IS VANISHING

Mr. MANSFIELD. Mr. President, a very noteworthy, timely, and well-deserved tribute by Marquis Childs appeared this morning in the Washington Post about our beloved colleague, the junior Senator from Virginia [Mr. ROBERTSON]. The column did not stress the great talent and experience as a legislator of our distinguished friend from Virginia but rather his charm, his sportsman interests, and his perspective in the field of conservation. The article is a well-deserved tribute and we hail its prediction that our most experienced junior Senator will return again for another term after the elections of 1966. I ask unanimous consent that the article by Marquis Childs be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post,
Sept. 29, 1965]

A SPECIES OF BIRD THAT IS VANISHING (By Marquis Childs)

When, in the florid tradition of that body, the colleagues of Senator A. WILLIS ROBERTSON of Virginia, rose to congratulate him on his 78th birthday, one tribute richly deserved is perhaps unique in the annals of the Senate. He was hailed as the best quail shot in the country.

About the junior Senator from Virginia there is the rugged quality of a country squire. Not, let it be said, the choleric type of Squire Western in "Tom Jones" but more nearly a mid-Victorian example after the style of Squire Thorne of Ullathorne in Anthony Trollope's "Barchester Towers." A sportsman in the traditional sense, each year the Senator gets his teeth into an issue that means much to him, and, while each year he loses, nevertheless he comes back to it as he has once more.

He demands that the Secretary of the Interior, who has jurisdiction, close the season for duck hunting for a year. The appeal is that of a conservationist rather than a sportsman since no one is happier in a duck blind than the Senator. In his telegram to Secretary Stewart Udall this year he said: "For more than half a century I have watched with distress the decline and fall of our duck population. In view of the current report that it is now at the lowest level since surveys were started in 1947, I strongly urge that you close the season in the United States for the year and ask our Canadian friends to take similar action although the kill in Canada is relatively small. If we wait 1 or 2 more years before taking drastic action to save the remnants of brood stock and then close the season it would probably never again be opened be-

cause the brood stock would have gone beyond the point of recall."

This is an ominous forecast for a great many Americans who know what it means to sit in a duck blind in the early morning with the decoys out, to see the mists rise off the water and then to have a flock of mallards or pintails come coasting in. It is a poignant reminder of other species that have vanished in an America that was such a cornucopia of abundance it could never run out.

Now and then when he has a spare moment Senator ROBERTSON stands in melancholy contemplation before the case in the Smithsonian Institution containing two stuffed passenger pigeons. To the best of his belief the last few of this vanished species that once darkened the sky for miles on end were shot in 1887, the year he was born.

He can remember when he was a young hunter of Back Bay near Norfolk that each night in the duck season an express car load of canvasbacks and redheads went out to the big cities on the eastern seaboard. That was in the heyday of the market hunter. ROBERTSON recalls that market hunters boasted of killing 450 or 500 ducks a day.

Either experts in Interior's Fish and Wildlife Service do not take the Senator's gloomy prophecy seriously or they realize what a wild outcry such a prohibition would produce. Not long after ROBERTSON sent his wife, Secretary Udall issued new waterfowl regulations identical with those of last year with one important exception. In the Mississippi and central flyways the daily bag limit can include only one mallard and one pintail. For the stock of these two ducks once so plentiful is, Interior concedes, the lowest in history.

It is not merely the ruthless and predatory hunter, including the still menacing market hunter, who threatens the wild duck with extinction. A whole complex of circumstances lumped under the dubious head of civilization is pushing back the margin of survival for all wildlife. Ponds and marshes are being drained. The drought in the Northeast has dried up breeding grounds for waterfowl.

Wildlife refuges have increased in number and a lot of work has been done to save the species that once existed in such abundance. But this must be measured against the fact that there are only 153 Federal agents to try to enforce duck regulations and more than 1,500,000 hunters last year bought the \$3 duck stamp. The number of hunters has gone down from more than 2 million chiefly because the birds are so scarce and because many of the most desirable shooting areas are in private hands. Commercial exploiters sell shooting privileges by the day or the week and they are among the worst offenders in the illegal practice of baiting with grain to attract ducks.

The junior Senator from Virginia is up for reelection next year and there is every likelihood that he will run again with virtually no doubt at all that he will be returned for another 6 years. The squirearchy may not have been as numerous as the passenger pigeon, but Virginia has a tender regard for the past and the vanishing species of that past.

THE 78TH BIRTHDAY ANNIVERSARY OF SENATOR A. WILLIS ROBERTSON OF VIRGINIA

Mr. TALMADGE. Mr. President, my warm friend, the distinguished junior Senator from Virginia, A. WILLIS ROBERTSON, recently celebrated his 78th birthday, and many Members of the Senate rose to congratulate him on this splendid occasion.

There appeared in this morning's edition of the Washington Post an excellent column by Marquis Childs paying well-deserved tribute to Senator ROBERTSON for his prowess as a hunter and outdoorsman and for his efforts as a conservationist, particularly in endeavoring to preserve our duck population. It has been my privilege and pleasure to have formed a close friendship with Senator ROBERTSON since I came to this body, and we have on many occasions shared many moments of pleasurable fellowship while hunting and fishing. He is an excellent hunter, with an eye as keen as his wit, and although I am several years his junior, I often find it very difficult to keep up with him in the field.

Mr. President, I ask unanimous consent that Mr. Child's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SPECIES OF BIRD THAT IS VANISHING (By Marquis Childs)

When, in the florid tradition of that body, the colleagues of Senator A. WILLIS ROBERTSON, of Virginia, rose to congratulate him on his 78th birthday, one tribute richly deserved is perhaps unique in the annals of the Senate. He was hailed as the best quail shot in the country.

About the junior Senator from Virginia there is the rugged quality of a country squire. Not, let it be said, the choleric type of Squire Western in "Tom Jones" but more nearly a mid-Victorian example after the style of Squire Thorne of Ullathorne in Anthony Trollope's "Barchester Towers." A sportsman in the traditional sense, each year the Senator gets his teeth into an issue that means much to him, and, while each year he loses, nevertheless he comes back to it as he has once more.

He demands that the Secretary of Interior, who has jurisdiction, close the season for duck hunting for a year. The appeal is that of a conservationist rather than a sportsman since no one is happier in a duck blind than the Senator. In his telegram to Secretary Stewart Udall this year he said: "For more than half a century I have watched with distress the decline and fall of our duck population. In view of the current report that it is now at the lowest level since surveys were started in 1947, I strongly urge that you close the season in the United States for the year and ask our Canadian friends to take similar action although the kill in Canada is relatively small. If we wait one or 2 more years before taking drastic action to save the remnants of brood stock and then close the season it would probably never again be opened because the brood stock would have gone beyond the point of recall."

This is an ominous forecast for a great many Americans who know what it means to sit in a duck blind in the early morning with the decoys out, to see the mists rise off the water and then to have a flock of mallards or pintails come coasting in. It is a poignant reminder of other species that have vanished in an America that was such a cornucopia of abundance it could never run out.

Now and then when he has a spare moment Senator ROBERTSON stands in melancholy contemplation before the case in the Smithsonian Institution containing two stuffed passenger pigeons. To the best of his belief the last few of this vanished species that once darkened the sky for miles on end were shot in 1887, the year he was born.

He can remember when he was a young hunter of Back Bay near Norfolk that each

night in the duck season an express carload of canvasbacks and redheads went out to the big cities on the eastern seaboard. That was in the heyday of the market hunter. ROBERTSON recalls that market hunters boasted of killing 450 or 500 ducks a day.

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The junior Senator from Virginia is up for reelection next year and there is every likelihood that he will run again with virtually no doubt at all that he will be returned for another 6 years. The squirearchy may not have been as numerous as the passenger pigeon, but Virginia has a tender regard for the past and the vanishing species of that past.

PARTICIPATION BY ST. OLAF COLLEGE STUDENTS IN THE SUMMER EDUCATION PROGRAM OF TUSKEGEE INSTITUTE

Mr. MONDALE. Mr. President, last summer 65 students from St. Olaf College in Northfield, Minn., participated in the summer education program of Tuskegee Institute.

This program was aimed at enriching the educational background of culturally deprived Negro youngsters in a 10-county Alabama area.

Now that the first wave of young men and women seeking to make known to the Nation the abuses existing in some parts of the South has ended, these young students from St. Olaf College represent the second phase of our drive to bring equality to all Americans, regardless of race or color. Education will be particularly crucial for the Negro in the United States, and I think the Senate of the United States should be made aware of their efforts.

I ask unanimous consent that the attached statement on the summer education program between Tuskegee Institute and St. Olaf College be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUMMER EDUCATION PROGRAM—TUSKEGEE INSTITUTE AND ST. OLAF COLLEGE

The class counted in German, "ein, zwei, drei," a common enough classroom exercise. But this was an uncommon class.

The 12 students were 14- to 17-year-old Negroes. The classroom—a plot of grass under a moss-covered pine tree. The place—rural Lowndes County, Ala., just 3 miles up the road from where Mrs. Viola Liuzzo was murdered. The teacher—a white college sophomore from St. Olaf College in Minnesota.

The teacher, Galen Brooks, Sioux Rapids, Iowa, was tutoring students in English, German, speech, civics, and algebra. He is one of 600 college students tutors in the summer education program of Tuskegee Institute. Among the tutors are 530 Negroes, mostly from Tuskegee, a college of 700 students in eastern Alabama, and 70 white students, 65 of whom come from St. Olaf College in Northfield, Minn.

The experimental program is aimed at upgrading the education of culturally disadvantaged Negroes in a 10-county Alabama area. Meeting in schools, churches, homes, and outdoors in hastily erected tent shelters, the summer education program (SEP) has enrolled 5,700 students from elementary to adult levels. Financed federally through the Office of Economic Opportunity and Office of Education, the program operates through 50 tutoring centers and 7 mobile units.

The program is defined by its organizers as an educational program rather than a conventional form of civil rights activity.

"We're a second front in the civil rights movement," said SEP coordinator, Dr. P. B. Phillips, dynamic, peripatetic, 32-year-old dean of students at Tuskegee. "We're purely an educational program. Our tutors are forbidden to demonstrate. But our program can be considered part of the civil rights program because it is concerned with human rights—the right to learn."

While the tutors, both Negro and white, do not participate in demonstrations, rallies, or voter registration drives, there is ample evidence that the effect of their working together is being felt by both the white and Negro communities. A Negro high school teacher from Phenix City noted that Negroes were suspicious of the white St. Olaf students in the program's early stages. But the St. Olaf students, he said, have worked side by side with the Negroes, made good on their promises, and the influence is being felt.

A white high school teacher, who joined SEP as a teaching supervisor, said that he asked himself, "Are these freedom riders or teachers?" when the St. Olaf students arrived at Tuskegee to begin training. He said they have proved that they are in Alabama for a serious purpose and did not come to cause trouble.

Moving forces behind the large number of St. Olaf students in SEP were Lee Norrgard, 1967, Hopkins, and Steve Stoddard, 1966, Zumbrota, Minn. Each was an exchange student at Tuskegee last spring. Both helped recruit the tutors and Norrgard is SEP's photographer.

SEP is an unconventional program with unconventional teaching methods. Individualized tutoring sessions are the aim. The small classes are informal, with chairs arranged around the tutor rather than in fixed classroom order. Tutors attempt to avoid typical classroom situations since about one-third of their students are dropouts. They try to reach these dropouts with unconventional methods, as they do those students who, because of ill-equipped schools and teachers, are three to four grades behind achievement levels.

Said Carol Jean Larsen, 1965, from Bismarck, N. Dak., "The methods we learned in practice teaching don't work here. Students know the alphabet, but don't know the sounds associated with the letters."

Dave Kjerland, 1965, from Owatonna, Minn., said of his adult classes: "We start with the alphabet and then go backwards to associate sound and letter."

About two-thirds of the tutors live on the Tuskegee campus and travel by rented car or school bus to tutoring centers. The rest, including a number of St. Olaf students, live with Negro families in the rural communities near their teaching centers.

The typical tutor's day begins about 5:30 a.m. Tom Nibbe, 1965, LaCrosse, Wis., for example, drives tutors to their centers and picks up students from 6 to 9:30 a.m. Then he drives a truck transporting a drama group and acts in two play performances. Three nights a week he tutors an adult class. Saturdays are spent in preparing reports and training manuals for future programs.

In evaluating the tutors, the single characteristic of the St. Olaf students noted most often by their Negro teacher-supervisors was resourcefulness. The supervisor at Wacoochee High near Salem, Ala., said: "We give them what little we have, and they improvise the rest." The tutors make up much of their own teaching material since textbooks are relatively hard to come by.

The tutors in English are teaching it essentially as a second language would be taught. Those working both with small children and adults have prepared their own phonics materials, since none available are written specifically for the Negro child or unschooled adult.

Virginia Hall, 1965, Fargo, N. Dak., and Carol Jean Larsen, commute 130 miles each day and spend the travel time working out new games to teach their fourth graders arithmetic and spelling. To solve the transportation problem four tutors, Pam Bergquist, 1965, Bethesda, Md.; Lucille Thilquist, 1967, Hopkins, Minn.; Karin Sundquist, Virginia, Minn.; and Connie Opdahl, 1965, San Bernardino, Calif., bought an old car. Christened "Booker T" after the founder of Tuskegee, the car is the pride and problem of their Macon County teaching center.

Stuart Taylor, 1968, Shawnee Mission, Kans., and Peter Eggen, 1966, Niagara, Wis., had no classroom, so they built seven tent shelters and converted two small houses for teaching. Taylor was named "Tutor of the Month" for July for teaching and recruiting skill.

One of the objectives of SEP is the preparation of techniques and materials for teaching in this tutorial situation. Each of the tutors will prepare reports for the Government on the materials they have developed for their classes.

Transportation of the tutors has been one of the major problems, as has transportation of students. Most of the students have to be transported to the teaching centers, often a considerable distance.

Without exception, the St. Olaf students in the program have been enthusiastic about it despite transportation and organization problems. Tutors comment on the sheer fun of working with the Negro children. Those tutors teaching night classes are moved by the eagerness and appreciation of the adult students.

Several plan to change their vocational choice to teaching after this experience on the teacher's side of the desk.

In addition to tutoring, the SEP program includes cultural presentations. A choir and instrumental ensemble has been organized and directed to Steve Fuller, St. Olaf, 1965 from San Bernardino, Calif. The choir, made up of both Negro and white tutors, presents two concerts a day in teaching centers, and prefaces each concert with tutoring

sessions on classical music. A typical audience will run from 40 to 100 people, many of whom may be hearing the names Mozart and Haydn for the first time.

Four of the mobile units are drama groups, each doing one-act plays. The companies conduct sessions on drama and play production followed by presentation of their play. Each group does two shows a day.

Another mobile unit is the bookmobile which attempts to supplement the libraries of the schools being used and brings books to the outdoor teaching centers.

An unusual mobile unit is a health and hygiene team. Manned by both Tuskegee and St. Olaf students, the unit discusses health and hygiene problems, family organization and attitudes, and both girls and boys present information on proper dress and grooming. Several of the girls in the unit are nurses and answer health and hygiene questions particularly related to the small, overcrowded homes that most of the tutees come from.

About a dozen of the St. Olaf students live off the Tuskegee campus with Negro families, usually in rural settings. They claim they didn't really become involved in the program until they joined the Negro community in this manner. Jeff Strate, St. Olaf, 1966, of Edina, Minn., and Charles Larson, 1965, of Thief River Falls, Minn., live with a family in a 100-year-old log house 5 miles from their school and the nearest telephone. Their spotlessly clean room was decorated with Utrillo prints and laundry hanging from the single light cord. Both Jeff and Chuck said that they wouldn't exchange this summer for any other experience.

Jeff summed up his responses, saying "After 2 weeks one of my adult pupils wrote his name for the first time in his life. He said to me, 'You are here as an answer to my prayers.' Boy, how could I possibly not love teaching here?"

Jeff and Chuck have been invited to watermelon busts, fishing trips, and revival meetings by their hosts. They report some "hazards" in going to the Negro revivals, however, since they are made so welcome that they must meet everyone in the congregation and share food with all before they can gracefully leave.

Most of the St. Olaf students attend church by going to Negro revival meetings in the rural areas. Since they live within the Negro community, they feel they are not welcome in the white churches.

Why? Why did 65 students from a single northern college head south for the summer? Each had his own reasons. Usually tutors mention several elements: curiosity about the South and its different culture, the challenge of a difficult situation, a good job (tutors receive about \$600 plus board and room). Some had convictions in varying degrees about civil rights.

After the summer's work, there will be few without strong convictions on civil rights. One group of Oles, quizzed by St. Olaf's Director of Special Studies Richard Buckstead on an inspection trip, insisted, "We changed the first week." Greater open-mindedness and self-confidence were claimed by the tutors.

The Oles had some adjustments to make. "It's a shock to be a 'minority,'" said Dave Kjerland, "and feel the restrictions on where you can go."

Sandy Oftedahl, 1965, Rosemount, Minn., commented, "It's quite a shock to have a fourth grader ask you 'What's it like to be a white person?'"

One immediate byproduct of SEP will be increased exchange of students between Tuskegee and St. Olaf. While two exchanges were made last year, during 1965-66 plans are underway for 25 students from each school to attend the other for a semester.

Most of all the St. Olaf students will bring home with them memories of a job well done.

Each has had his heart warmed by some individual act of appreciation. Perhaps Dave Kjerland's incident tells the tale best. A 40-year-old farmhand walked through a rainstorm to find Dave at a choir concert. His lifetime schooling was 3 weeks in SEP. He wanted to show Dave a theme he had written. It was a 14-line essay on "My Community," laboriously printed with many spellings and grammatical errors.

Luckily Dave paused halfway through his reading to congratulate the obviously elated writer. When he got to the last line, he found it hard to speak. The Negro writing for the first time in his life had written, "we have our fine teachers. they are wite. we love them."

GROUP RESEARCH, INC., MAY HAVE TO CLOSE DOWN

Mr. FULBRIGHT. Mr. President, a news item published in the Washington Post for September 21, 1965, reports that Group Research, Inc., an organization which keeps track of political extremists, may be forced to shut down because of lack of financial support.

This would be a blow to good government in the United States. We need more active groups like this to help keep the public and public officials informed on the activities of extremist groups of the right or the left.

I must confess that I am not familiar with all of the work done by Group Research, but I have seen many of their thorough research reports on individuals and organizations. They are factual and informative, and I would hate to lose this source of information.

I hope that some way can be found to keep this organization in operation.

I ask unanimous consent to have the news item from the Post printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROUP EYEING RIGHTISTS MAY QUIT

An organization formed 3½ years ago to keep track of rightwing groups is in financial trouble and may have to close down by the end of the year.

The organization is Group Research, Inc., which was set up in February 1962, by Wesley McCune, a former Washington reporter.

McCune acknowledged yesterday that Group Research operates "from month to month" and that it is "more difficult now than before the election" to raise money.

Other persons in Washington familiar with Group Research, which has been operating on a budget of around \$50,000 a year, reported that its financial sources are drying up because the organization has been unable to demonstrate that it can support itself through subscriptions to its newsletter.

Group Research has been supported in part by labor unions and by contributions from the Democratic National Committee.

If unable to continue, it would be the second organization set up to report systematically on the activities of rightwing groups to suspend its operations this year.

Last February the National Council for Civic Responsibility, formed in September 1964, closed its office in New York.

Dewey Anderson, executive secretary of the Public Affairs Institute in Washington and principal organizer of the National Council, said in February that he thought "the Goldwater thing snuffed this out."

In discussing the problems of Group Research, McCune also referred to the defeat

of Barry Goldwater in the 1964 presidential election and noted that it produced "a psychological letdown" among persons who had been concerned about rightwing groups.

Statements by leaders of the John Birch Society and other rightwing groups have indicated that the organizations have expanded their membership and operations since the election. Last Friday the Birch Society opened a Washington office.

Group Research, which has offices and a small staff in the Bond Building at 1404 New York Avenue, NW., has issued newsletters and other reports on rightwing groups.

A SECRET BALLOT RIGHT-TO-VOTE AMENDMENT OF THE TAFT-HARTLEY ACT

Mr. DOMINICK. Mr. President, strong support is being evidenced throughout the Nation for a secret ballot right-to-vote amendment to the Taft-Hartley Act. It is unfortunate that the administration has not yet seen fit to endorse this fundamental right for all American employees. Nevertheless, increasing editorial support from all parts of the country makes it abundantly clear that this principle is understood and endorsed at the grassroots.

The secret ballot right-to-vote amendment will guarantee individual employee rights in union representation elections. Under existing law, the National Labor Relations Board has permitted many unions to become bargaining agents for employees merely upon a showing of so-called card authorizations. This procedure has corroded away the right to a secret ballot representation vote—a right thought to be guaranteed by the framers of the Taft-Hartley Act.

It is therefore necessary that Congress, if it is to amend the Taft-Hartley Act at all, should take legislative action to reassert and safeguard employees' rights to a secret ballot election. This is a basic right which every legitimate union should itself endorse and seek to guarantee.

It is my intention to introduce and to vigorously support a secret ballot right-to-vote amendment when the Senate takes up the matter of Taft-Hartley revision.

Clearly, if we are to enforce majority rule over individual employee desires as a part of our basic labor-management policy, then it is vital that the Congress also take steps to assure election procedures which will guarantee that the voice of a true majority of employees is being heard.

With unanimous consent, I therefore ask that newspaper editorials, evidencing growing public support for the secret ballot right-to-vote amendment to Taft-Hartley, be included as part of the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Worcester Telegram, Sept. 17, 1965]

TO PROTECT THE WORKER'S BALLOT

In its yielding to White House and organized labor pressure to repeal section 14(b) (right-to-work) of the Taft-Hartley Act, Congress has thus far shown precious little respect for the individual worker's rights. So it may be too much to expect any display of

such concern at this late date, unless the Senate takes a fresh look at the problem before getting to a floor vote on H.R. 77.

The chief motive, and perhaps the only one thus far, has seemed to be to strip from States the power to grant a worker the privilege of deciding for himself whether he wants to join a union. States which have right-to-work laws now would lose them; States which might want such laws would be forbidden to enact them. H.R. 77, which would thus throttle a worker's freedom of choice, passed the House in late July and has been reported for action to the Senate floor.

If Congress is to make any pretense of concern for the worker himself, however, it can do no less than consider other amendments offered during this long and distressing legislative treatment of 14(b). It could forbid the use of union dues for political purposes. It could prohibit unions from punishing members for exercising the right of free speech, for example. It could rule out union membership discrimination on account of color or creed.

But the very least Congress can decently do, it seems to us, if it persists in altering Taft-Hartley, is provide the worker with the protection of a secret ballot in expressing himself for or against union representation. The law as it stands calls for secret voting, but does not guarantee it. Instead, the law also provides that if a union presents cards signed by 51 percent of a company's employees, the employer must recognize and bargain collectively with the union so designated. Those cards are, obviously, anything but secret. They may offer a tempting opportunity for bringing pressure on an employee by identifying him with his vote.

Certainly in so sensitive a matter as the choice of a union, or no union, to represent him, an employee ought to be given the positive assurance that his ballot will be secret. His choice should be unknown even to those who count the ballots. To this, the NLRB has said that, while it conducts secret balloting when requested, it would be swamped if required to do so in every referendum. That is a poor excuse. If card checks, as they are called, encroach upon the worker's right to secrecy in one instance, they are a threat to that right every time.

An amendment to relieve conscientious religious objectors from compulsory union membership has been tacked onto the 14(b) repealer—with a highly dubious clause, incidentally that would make the objector pay his dues over to some charity. So amendment is possible. There is every reason why protection, should also get approval in Congress.

[From the New York (N.Y.) World Telegram, Sept. 7, 1965]

FULL DEBATE ON 14(b)

We do not believe Congress should repeal the Taft-Hartley Act's section 14(b), which gives States the right to decide for themselves whether they want to permit compulsory union membership contracts within their borders.

We oppose repeal for the clearest of reasons—because we oppose any law, anywhere, which forces a man to join any organization whatever, as a condition of holding his job.

In these circumstances it is encouraging to hear that a bipartisan group of Senators plans to launch an "extended debate" on the repeal measure when it reaches the Senate floor.

There should be full debate on an issue as far-reaching as this one. If the principles involved are spelled out clearly and in detail we are confident the public will let their Senators know they don't want repeal.

A series of amendments to the repeal proposal also should receive searching consideration by the Senate. Most of these were

rejected by majority members of the Senate Labor Committee, who thus missed an opportunity to improve their own bill.

One of the most important would strengthen provisions for secret ballot elections in union representation disputes. Under present National Labor Relations Board rules, union officials in many cases can become bargaining agents for an entire work force simply by showing cards signed by a majority.

There should be equally full discussion of the problem of union use of dues money for political purposes. Technically this is prohibited by law—but the law has many and obvious loopholes.

If section 14(b) should be repealed, and a national policy established that workers everywhere could be forced to pay dues against their will, tightening of the anti-politics provisions would become doubly important.

Labor and administration leaders obviously would rather see Congress pass the repealer quickly and go home. But this is a question on which the voters should hear all the facts, no matter how long it takes.

[From the Los Angeles (Calif.) Times,
Aug. 8, 1965]

COMMONSENSE AND RIGHT TO WORK

House passage of legislation outlawing State right-to-work laws by a narrow margin was followed by predictions that an identical measure will have easier sailing in the U.S. Senate.

Although this may be so, it is neither fit, proper, nor right.

A majority of the House of Representatives bowed to the demands of organized labor for repeal of section 14(b) of the Taft-Hartley Act. But the Senate—particularly those Members concerned about such things as freedom of choice, good government, abridgement of States rights and discrimination—should think long and hard before supinely playing follow the leader.

The repealer would negate right-to-work provisions in the statutes, or written into the constitutions, of 19 States and bar possible enactment of such statutes in the other 31 States.

Is it sound governmental practice for the Federal Government to invalidate State laws and State constitutional provisions? Is there any justification for further erosion of States rights? Is individual freedom of choice no longer a thing to be valued? Is compulsory unionism greatly to be desired?

We think not.

If, however, the Senate is willing to overlook such basics and proceed to amend the Taft-Hartley Act, then consideration should be given to some other changes sorely needed in that act.

It should be amended to prohibit discrimination by unions on the basis of race, color, or creed. It should be amended to prohibit the use of dues for political purposes. It should be amended to provide for secret balloting in union representation elections.

Union leaders would fight most such amendments to the bitter end.

But equity, fair play, and just plain common sense demand that the one change not be made without the others.

[From the Daily Oklahoman, Sept. 24, 1965]
BELATED RALLY FOR 14(b)

Wily Senator EVERETT DIRKSEN doesn't like to call his intended opposition to the repeal of Taft-Hartley's section 14(b) a filibuster.

He prefers to say there's going to be an "extended discussion" of the matter when it's brought up in the Senate. Section 14(b) is the part of the National Labor Act which gives Federal authorization to the right-to-work laws of the 19 States which have them.

Its repeal was the price organized labor demanded of President Johnson for the support it gave him in last year's election. Certainly the issues involved are important enough to merit a far more detailed examination than they got in the House where administration forces applied a gag rule which effectively choked off opposition.

Until rather recently it appeared the way was greased for similar preemptory handling in the Senate. The Senate Labor and Public Welfare Committee cleared the repealer by a 12-to-3 margin without giving much consideration to amendments that would have improved it vastly.

It's to be hoped that the issues reflected in these amendments will be discussed more thoroughly by the Senate's former coalition of conservative Republicans and Southern Democrats which shows signs of coming to life for the extended discussion promised by Senator DIRKSEN.

One proposed amendment would have strengthened provisions for maintaining secrecy of the ballot in union representation elections. The secret ballot is vouchsafed as a matter of course in elections for public offices. Certainly it's equally important in matters involving the individual's livelihood.

In order to protect this guarantee, Congress would have to take all discretionary authority out of the hands of the National Labor Relations Board which never misses an opportunity to demonstrate its pro-labor bias.

Indicative of just what can happen under compulsory unionism is a recent instance involving an effort by a California member of the United Steelworkers to determine by secret ballot whether his local wanted that particular union to continue as its bargaining agent. When he filed a decertification petition with the NLRB, the union bosses suspended him from membership, fined him \$500, and barred him from attending union meetings for 5 years.

The NLRB sided typically with the union, rejecting the decertification petition and agreeing with the union leadership that the dissatisfied member had no right to file it. With the game rigged so completely against the individual, the right-to-work provision embodied in section 14(b) is about the only remaining avenue for possible dissent.

A great deal of concern for minority rights is being expressed nowadays. Often the spokesmen for organized labor are loudest in their professed solicitude for minorities. But where is there any compassion for the worker whose compulsory union dues often are used to further political causes with which he may or may not be in sympathy?

Technically, such misuse of union dues is against the law, but what practical recourse is open to any union shop captive for escaping identification with whatever political candidate or cause his leadership may choose to espouse?

These are questions that got short shrift in the steamrollered House. Senator DIRKSEN and other like-minded Senators will perform a valuable service if they bring them to national notice in the promised extended discussion of the 14(b) repealer.

[From the Great Falls (Mont.) Tribune,
Sept. 11, 1965]

SECRET BALLOT IN LABOR ELECTIONS SEEMS LIKE A FAIR REQUEST

Hope for early adjournment of the 89th Congress faces a roadblock—a probable filibuster over repeal of section 14(b) of the Taft-Hartley Act.

President Johnson has committed the administration to repeal of the short paragraph in the labor law that permits States to prohibit contracts requiring workers to join a union as a condition of employment.

Section 14(b) has been an irritant in the side of labor for years. Business in general

has battled just as vigorously to retain 14(b) as labor has fought to repeal it.

Eighteen States have laws prohibiting contracts requiring workers to join a union. These State laws are called right-to-work laws.

In recent weeks, there has been considerable support for an amendment to the Taft-Hartley Act to guarantee workers the right to a secret ballot on the designation of a union as their bargaining agent.

Requests for the amendment, calling for a secret ballot election, directed and supervised by the National Labor Relations Board in all cases where employees are asked to select a bargaining agent, seem fair.

We think a secret ballot should be a fundamental right in all elections. We hope our Montana Senators will support such an amendment to the labor law.

[From the Toledo (Ohio) Blade, Sept. 5, 1965]

RIGHT TO VOTE ON UNIONS

In approving the bill to repeal section 14(b) of the Taft-Hartley Law—and thus denying the States the right to prohibit the union shop—the Senate Labor Committee did permit one amendment.

Persons who object to union membership on grounds of religious conscience will not be required to join a union to hold their jobs. Instead, they need only pay a charitable organization sums equivalent to union dues.

This concession to conscience was mandatory, as the Blade had insisted before, unless Congress was going to grant unions a dictatorial power over workers in a plant which the Nation does not choose to exercise over its citizens.

If conscientious objectors are to be exempted from military service even in time of war, what possible justification could there be for requiring conscientious objectors to join a union?

Strangely enough, however, the Senate Labor Committee, having recognized the right of conscience even in labor matters, refused to accept another amendment which would have guaranteed workers in a plant a secret vote on the issue before they could be forced to join a union.

Isn't that also a fundamental democratic, American right? Even George Meany, president of the AFL-CIO, has said he has no objection to writing this secret-ballot clause into the revision of the Taft-Hartley law.

But the excuse given for blocking what seems an eminently fair proposal is administrative difficulties.

The National Labor Relations Board says, on the one hand, that it already orders a secret election whenever a management insists on it. But the Board contends, on the other hand, that it would be "snowed under" if it were obliged to conduct secret elections at every plant where a union seeks recognition.

At a time when the Nation is sparing no effort or expense to extend voting rights to everybody, should they be denied in labor matters because it is too much trouble to give a minority the chance to prove that it may be the majority?

[From the Jackson (Miss.) Clarion-Ledger,
Aug. 26, 1965]

RIGHT TO VOTE IN UNION MATTERS

If our U.S. Senators and Representatives were elected to office by some of the same procedures used by a labor union to get selected as the employees' representative, there would be a great hue and cry around the Nation.

The truth is that in some instances the National Labor Relations Board in Washington has been depriving employees of the right to a secret ballot in determining whether or not they want a union.

Official records clearly show that this has happened in NLRB rulings.

In some cases, the Board actually requires businessmen to bargain with a union even though a majority of their employees do not want that union.

Senator FANNIN, of Arizona, said in a recent floor speech: "While Congress has legislated to give the vote to all Americans, the National Labor Relations Board is eliminating such right for the American worker in determining union representation."

Several Members of the Senate have introduced bills to guarantee employees the right to a secret ballot election. It will be interesting to see how these proposals fare with the majority of Senators overwhelmingly favorable to the so-called voting rights bill recent steamrolled through Congress.

Unfortunately, by various reports, many in Congress are not even aware of the legal loopholes under which workers can be deprived of their right to vote in union elections.

Many people believe workers always have the right to decide by secret ballot whether or not a majority of them want a particular union as their representative. This is not true.

So before even considering the repeal of section 14(b) of the Taft-Hartley Labor Act which guarantees the right to work, Congress should make certain that workers are guaranteed the right to vote in any and all elections pertaining to union representation.

[From the Billings (Mont.) Gazette,
Aug. 24, 1965]

WHY NOT A SECRET VOTE?

Whether the expected repeal of the right to work section (14(b)) of the Taft-Hartley law is all take and no give so far as labor unions are concerned depends upon the success of movements to amend the repealer which is now in the Senate.

Repeal opponents are most anxious to put across a provision calling for a secret election where unions are attempting to organize a business. This would put an end to the policy of accepting as a bona fide expression of workers the so-called card elections conducted by organizers whereby employees sign a card indicating that they want union representation.

The purpose of a secret ballot is to eliminate the possibility of pressure and to let the employee vote his convictions without embarrassment or fear of the consequences of opposing union organization. An amendment providing for such seems only fair, and it's difficult to see how organized labor can conscientiously oppose it.

HIGGINBOTHAM SCHOOL OF JOURNALISM

Mr. BIBLE. Mr. President, the University of Nevada recently honored one of its most active and enduring faculty members by naming the institution's expanded school of journalism after him. This school of journalism, already recognized nationally as one of the best, will henceforth be called the Higginbotham School of Journalism.

The man honored, Alfred L. Higginbotham, is the type of individual who deserves any recognition the university or the profession of journalism can bestow. He is a man who has wholly and totally dedicated himself to his work. The results show it.

Although small in size, the University of Nevada Journalism Department has earned the respect of those in and out of the profession nationwide. Its roster of alumni is star studded. Men like Frank

H. Bartholomew, former general manager and chairman of the board of United Press International, E. W. "Ted" Scripps, vice president of Scripps-Howard newspapers, and many others. And this is only part of the story.

I know Professor Higginbotham from the vantage of a former student and as a personal friend. In his 42 years at the University of Nevada he has never flagged in his drive to improve journalism and journalism teaching. He is both a leader and a pioneer in this respect.

Mr. President, I ask unanimous consent that a column in the Reno Evening Gazette and an editorial in the Nevada State Journal, both printed September 21 and both commenting on Professor Higginbotham's latest honors, be inserted into the RECORD following my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Reno (Nev.) Gazette, Sept. 21, 1965]

SIERRA EAST

(By Warren Lerude)

The Alfred L. Higginbotham Department of Journalism of the University of Nevada?

That's what regents decided to call it the other day.

Quite a tag.

What's so special about Alfred L. Higginbotham, you ask, that calls for putting a name that long on anything?

Well, let's see.

You might have asked Paul Finch, the correspondent for the Associated Press as he dashed amid zinging bullets through the streets of revolt-torn Caracas a while back.

Or Frank McCulloch, the Time and Life magazine man, who walked about the jungles of Vietnam making sure he was close enough to the bombs to see them, getting close enough to feel them.

You might ask Ed Montgomery, the San Francisco Examiner reporter who dug and dug for public service for San Franciscans and a Pulitzer Prize for himself.

Or Bob Miller, the United Press correspondent. Ask him, that is, if you can find him somewhere between the wars and the diplomatic tables. You might try Asia for him. Or Europe. Or anywhere. He's out there somewhere, pencil, notebook, enthusiasm in hand.

Try Norman Bell, now retired, who used to ride the bombers with notebook in hand during the Pacific war as a correspondent for the Associated Press.

Or Bob Benneyhoff, who covered the Korean war for the United Press and a lot of things before it and after it.

They're all too far away, you say. Then ask some of the people around Reno.

Like John Sanford, who has poured his thoughts of civic concern into a typewriter at the Reno Evening Gazette for 40 years.

Or Joe Jackson, who has gotten more editions of the Gazette on the street, than he can count.

Or the Gazette's Rollan Melton, probably one of the youngest and most able managing editors around anywhere.

Look behind that "lighter touch" of Frank Johnson on the Nevada State Journal.

Or ask Paul Leonard to take a minute away from writing the editorials in the Journal to tell you about it.

They'll give you your answer.

Better yet, ask Linda Cooper, a bright-eyed girl just out of college who's just beginning her career in journalism behind a typewriter at the Gazette.

For the best answer, though, try Marie Higginbotham, who has seen her husband

bowl over the most enthusiastic freshman students since 1923, channel that enthusiasm into a feeling of devotion to the cause of liberty that journalism champions, and send much wiser seniors out into the newsrooms of the world with a good deal of the dedication they were to find in the editors who got there before them.

Just don't ask me. I'm a headline writer, and the tag Alfred L. Higginbotham, Department of Journalism of the University of Nevada is just too wordy to fit, presenting somewhat of a problem, for Higgy always called for thoroughness.

In headlines as well as stories.

[From the Nevada State Journal, Sept. 21, 1965]

REGENTS VOTE TO NAME UNIVERSITY DEPARTMENT

The University of Nevada Board of Regents, at a meeting last weekend, took up a number of matters of importance.

But most important of all was a vote to call the university's department of journalism the A. L. Higginbotham Department of Journalism.

At the August meeting of the board there had been some hesitancy on the part of a couple of the regents to name the department after its founder and chairman, and who is still very much its active head after 42 years.

This, it was reported, had nothing to do with the qualifications of the prospective designee. Those were recognized at the outset. It was simply because no department had ever before been named for a person.

But last Saturday the board decided that it should set a precedent—and now there is a department named after an individual.

In the first place, the regents showed mighty good sense in appending a person's name to a department. Furthermore, why not do it again in some other department, if the occasion warrants?

In the second place, the choice couldn't have been better on the first try in department naming.

Alfred Leslie Higginbotham, often known to his friends as "Higgy," is a perennial young man with the drive of a New York advertising executive.

He is more dedicated to the ideals of journalism than the most crusading editor. He is something of a down-to-earth philosopher, an idealist with a touch of cynicism, an imparter of knowledge par excellence, a taskmaster, and a conveyor of inspiration.

Of all his attributes he perhaps shines most brightly in the last category—which has made him a teacher who has produced some of the top reporters in the Nation, to say nothing of a host of publishers, editors, and advertising men.

The University of Nevada's Department of Journalism is, comparatively speaking, a small one. But the number of successful newsmen in magazine, newspaper, radio, and TV reporting who have come from his classes is out of all proportion to the size of the department on the local campus.

The reason is simple. Professor Higginbotham has inspired his students to go out and set the world on fire. He has given them a push that has started them running and most of them have never stopped.

The board of regents has taken a most apropos action.

NEW SOURCES OF SUPPLY OF METALS AND MINERALS

Mr. JACKSON. Mr. President, there has been a great deal of interest during this session of the Congress in our supplies of gold and silver as well as other

metals. I think the Members of the Senate as well as the general public should know of the action that is being taken by the administration to find new sources of supply of metals and minerals within our own country, and I ask, Mr. President, unanimous consent that the 14th annual report of the Office of Minerals Exploration of the Department of the Interior, submitted to the Congress by President Johnson and referred to the Interior Committee, be printed in the CONGRESSIONAL RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I transmit herewith the 14th semiannual report of the Office of Minerals Exploration, Geological Survey, from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions by encouraging exploration for minerals, and for other purposes."

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 14, 1965.

THE 14TH SEMI-ANNUAL REPORT, OFFICE OF MINERALS EXPLORATION, GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR, PERIOD ENDING JUNE 30, 1965

EXPLORATION ASSISTANCE PROGRAM

The Office of Minerals Exploration in the Geological Survey conducts a program to encourage exploration for domestic mineral reserves, excluding organic fuels, by providing financial assistance in exploration to private industry under Public Law 85-701, approved August 21, 1958 (72 Stat. 700, 30 U.S.C., sec. 642). The Office of Minerals Exploration also administers contracts with royalty obligations remaining from a similar program conducted by the former Defense Minerals Exploration Administration under section 303(a) of the Defense Production Act of 1950, as amended. Effective July 1, 1965, the Office of Minerals Exploration was transferred to the Geological Survey (30 F.R. 2877, 30 F.R. 3461).

ACHIEVEMENTS

Exploration for gold and silver continued to dominate the OME program. Of the 77 applications for exploration assistance received during the period January 1 to June 30, 1965, 71 were for gold and silver exploration. Increased activity in exploration for mercury also occurred during this period in which three applications requesting assistance in exploration for this metal were received.

New OME business: During this reporting period, 77 applications were received, 24 applications were denied, 13 were withdrawn, 5 contracts and 27 amendments were executed, 6 contracts were terminated or canceled, and 1 project was certified for possible production. At the close of the period 35 contracts were in force and 64 applications were in process.

Disposition of OME applications to June 30, 1965

Applications received for financial assistance in exploration for 33 commodities in 31 States.....	484
Estimated cost of proposed exploration.....	\$48,058,289
Applications denied.....	190
Applications withdrawn.....	129
Applications in process as of June 30, 1965.....	64
Contracts executed.....	101

* No amount given in 9 applications.

Status of all OME contracts on June 30, 1965

	Number	Total value	Government participation		
			Approved	Spent	Repaid
Type of action:					
Executed.....	101	\$6,711,826	\$3,389,379	\$1,512,434	\$104,432
Certified and terminated.....	12	971,016	485,553	330,283	96,434
Terminated not certified.....	43	2,372,028	1,186,014	564,534	179
Canceled.....	11	459,858	229,929		
In force as of June 30, 1965.....	35	2,908,834	1,487,883	617,617	7,819
Amendments executed:					
Changing amounts.....	29	419,541	209,771		
Other.....	216				

Royalties from Office of Minerals Exploration projects are estimated at \$30,000 a year through 1968.

Ore discovered on the 13 certified OME projects is estimated to have a recoverable value in excess of \$16 million at current market prices.

Status of DMEA contracts on June 30, 1965—Open contracts on which some obligations remain

	Number	Total value	Government participation		
			Approved	Spent	Repaid
Type of action:					
1. Terminated and certified. Government assistance ended. Royalties on production payable for periods specified.....	134	\$16,480,873	\$9,873,958	\$8,013,098	\$1,723,356
2. Terminated not certified. Contracts with royalty agreements.....	44	5,722,738	3,084,365	1,813,629	47,483
3. Permanently closed contracts on which no obligations remain and Government losses, if any, written off:					
4. Terminated. Government funds repaid in full.....	84	6,041,153	3,966,987	3,042,026	1,304,440
5. Terminated and losses written off.....	812	26,224,402	16,465,685	10,477,274	521,129
6. Contracts canceled. No Government funds spent.....	85	2,301,297	1,414,249		
7. Total of all contracts executed, as amended.....	1,159	56,770,493	34,805,244	23,346,027	5,334,408
Total of all contracts certified included in lines 1, 3, 4, and 5.....	399	30,347,379	18,634,519	14,945,184	5,121,814

* Includes overpayment of \$414.

Transactions—Defense Production Act Borrowing Authority

Total authorization..... \$35,800,000

Actually borrowed.....	32,935,000
Contract disbursements.....	23,346,029
Administrative expenses.....	8,392,617
Treasury interest paid.....	6,070,042
Royalties received.....	5,334,408
Net disbursements.....	32,472,280

Future royalty receipts are estimated at \$380,000 for calendar year 1965, \$275,000 for 1966, \$250,000 for 1967, and \$200,000 for 1968. Notes totaling \$4 million and interest of \$690,000 became payable on July 1, 1965. The notes will be renewed and the accrued interest will be paid in cash from the revolving fund.

The success of the DMEA program can be measured by the value of the recoverable minerals and metals in the ore reserves discovered as a result of the exploration. The reserves found on the 399 certified DMEA projects are estimated to have a value in excess of \$1 billion at present market prices. For every dollar spent (\$23,346,029) by the Government on DMEA exploration contracts, approximately \$42 in recoverable value of minerals and metals was discovered.

SUMMARY OF THE PROGRAM

The following mineral commodities are currently eligible for financial assistance under the OME program: Antimony, asbestos, bauxite, beryllium, bismuth, cadmium, chromite, cobalt, columbium, corundum, diamond (industrial), fluor spar, gold, graphite (crucible flake), iron ore, kyanite (strategic), manganese, mercury, mica (strategic), molybdenum monazite, nickel, platinum group metals, quartz crystal (piezoelectric), rare earths, rutile, selenium, silver, sulfur, talc (block steatite), tantalum, tellurium, thorium, tin, uranium.

In passing upon applications for exploration assistance, the following factors are carefully considered:

(a) The geologic probability of a significant discovery being made.

(b) The estimated cost of the exploration in relation to the size and grade of the potential deposit.

(c) The plan and method of conducting the exploration.

(d) The accessibility of the project area.

(e) The background and operating experience of the applicant.

(f) The applicant's title or right to possession of the property.

Financial assistance is provided by the OME under contracts with qualified applicants who normally would not undertake the exploration at their sole expense under current conditions or circumstances and who are unable to obtain the funds needed for the exploration from commercial sources on reasonable terms.

Contracts are entered into only after investigation of the applicant's eligibility and careful consideration of the merits of the proposed exploration based upon sound engineering and geological principles. Each contract describes the land involved, specifies the work to be performed by the operator, and fixes the time in which the exploration is to be completed. The contract states the estimated cost of the proposed work and the amount of the Government's contribu-

tion which may not exceed 50 percent of the total cost, except for silver exploration which may not exceed 75 percent, and is limited to \$250,000 for any single contract. It also states the estimated actual or fixed unit costs for each item of work.

The Government's contribution to the cost of the exploration is limited to the necessary, reasonable, and direct actual costs or to the fixed units costs agreed upon with the operator in terms of units of work to be performed. Usually a contract is not approved for work requiring more than 2 years to complete, however, most contracts are for a much shorter period.

Repayment of the Government's contribution with interest is provided for by a royalty on production from the land described in the contract. If there is no production there is no obligation to repay. The Government is not obligated to purchase any production. The royalty is 5 percent of the gross proceeds or value of the production and is payable on any production from the date of the contract until the Government certifies to the operator that mineral or metal production from the area covered by the contract may be possible or notifies the operator that it does not intend to certify. In the latter case there is no further obligation to pay royalty to the Government.

If a certification is issued, the operator is obligated to pay royalty on all production from the land under the contract until the Government's contribution is fully repaid with interest or until the period fixed in the contract for royalty payments (usually 10 but never more than 25 years) has elapsed. Royalty payments apply to both principal and interest, but they never exceed 5 percent of the gross proceeds.

Simple interest is calculated from the first day of the month following the dates Federal funds are made available to the operator until the period specified for royalty payments expires or until the full amount contributed by the Government with interest is repaid. The rate of interest has ranged from 5.75 to 6.5 percent.

ORGANIZATION, ADMINISTRATION, AND COORDINATION OF THE PROGRAM

The OME formerly operated under the general policy and direction of the Assistant Secretary, Mineral Resources, with a staff of 12 in Washington. Field services were provided by the Bureau of Mines and the Geological Survey. Under the Office of the Director were the Divisions of Exploration Operations, Contract Administration and Audit, and the Administrative Management. A review committee, composed of the Chiefs of the Divisions of Exploration Operations and Contract Administration and Audit, reviewed all actions on applications and contracts for conformity with policy, technical standards, and procedures for exploration work to maintain consistent application throughout the program. The field work was performed by OME field officers under the direction of the Chief, Division of Exploration Operations.

Field officers were detailed from the Bureau of Mines in San Francisco, Calif., and Denver, Colo., and from the Geological Survey in Spokane, Wash.

Effective July 1, 1965, the OME was transferred to the Geological Survey. The office is being operated under the general supervision of the Chief Geologist, with a small Washington staff and field officers under the direction of the Chief and Assistant Chief, OME.

COOPERATION WITH OTHER AGENCIES

In addition to the close cooperation with the Bureau of Mines and the Geological Survey, the OME works closely with the Office of Minerals and Solid Fuels, the Office of Emergency Planning, and the General Serv-

ices Administration because of their interests and responsibilities in the minerals field. It cooperates also with the Atomic Energy Commission on minerals of particular interest to that agency. The Attorney General and such agencies as the Securities and Exchange and the Tariff Commissions, Small Business Administration, and Treasury and Commerce Departments are furnished information relating to the OME program. The OME audit procedures conform with the comprehensive auditing program of the General Accounting Office.

NEED FOR EXPLORATION ASSISTANCE

Both the industry and the Government recognize the need for a continuing aggressive minerals exploration program. Most of the exposed and near-surface deposits have been explored and developed. New deposits are increasingly difficult and costly to find. The risk and cost of modern exploration discourage industry from undertaking sufficient exploration to assure adequate reserves for the Nation's future requirements without some form of Government assistance. If our country is to continue to produce substantial portions of our requirements, increasing emphasis must be placed on exploration. Projected requirements for the Nation's needs indicate that exploration must be greatly increased to keep pace with the growing demands for minerals and metals.

The OME contributes toward the discovery of an adequate supply of minerals and metals by aiding industry in locating and inventorying undiscovered or undeveloped domestic mineral resources for the time when our expanding economy is expected to place a much greater drain on them. The OME program is one way in which the Government's responsibilities in this field are being carried out. By sharing in the risk and cost of exploration, the Government contributes toward long-range benefits. It also supports employment in distressed areas and adds to the geologic knowledge of our mineral provinces. The significant and very satisfactory results achieved by the DMEA and the OME programs indicate that both the industry and the Nation will greatly benefit from continued exploration assistance.

SMALL BUSINESS IN THE PROGRAM

The OME program, like that of the DMEA, appeals especially to small business. Exploration assistance is available to many small operators who are particularly interested in searching for deposits of highly strategic minerals not found in the United States in sufficient size to be of interest to large operators. The small operators are given maximum encouragement because of the more urgent need for the scarcer strategic and critical minerals and because of the importance of this group in the mining industry.

All participants in the OME program to date are in the small business group. The OME contracts executed to date call for maximum expenditures ranging from \$4,500 to \$328,290 a contract. More than one-half of the OME contracts are with operators whose share of the cost of the exploration is less than \$25,000, including allowances for their labor, supervision, and equipment used in the exploration.

RECOMMENDATIONS

The history of the minerals exploration program indicates that the program should be continued in the national interest.

OME FIELD OFFICES

Region I

South 157 Howard Street, Spokane, Wash., 99204: Alaska, Idaho, Montana, Oregon, and Washington. Applications for exploration in Alaska may be filed with the U.S. Bureau of

Mines, Post Office Box 7688, Juneau, Alaska, to be forwarded to the region I OME field officer.

Region II

Room 9007, 450 Golden Gate Avenue, San Francisco, Calif., 94102: California, Nevada, and Hawaii.

Region III

Building 20, Federal Center, Denver, Colo., 80225: Arizona, Colorado, Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming.

Region IV

Room 11, Post Office Building, Knoxville, Tenn., 37902: Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and Wisconsin.

SELF-GOVERNMENT IN PACIFIC ISLANDS

Mr. INOUE. Mr. President, because of its remote location and the subsequent dearth of news about its activities, I will attempt from time to time to call to the attention of my distinguished colleagues certain articles about the Trust Territory of the Pacific Islands.

Although it may be some years in coming, the day will surely arrive when the U.S. Senate will be directly concerned with the political future of these far-flung islands. It is our hope that the U.S. Government, as administrator of the Trust Territory of the Pacific Islands by virtue of the authority of the United Nations, will enable the inhabitants of these islands to intelligently prepare for the time when they will be asked to make a major political decision about their future in the world society.

Our establishment of the Congress of Micronesia is one of the major preparatory steps in this direction.

The September 21 issue of the Christian Science Monitor published an Associated Press article which gives a well-balanced view of the road ahead for the Trust Territory of the Pacific Islands.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Sept. 21, 1965]

PACIFIC ISLES DEFY MOLD

UNITED NATIONS, N.Y.—The United Nations is finding it much harder to bring self-government to the islands of the Pacific than it did to the African mandates it inherited from the League of Nations.

The seven African territories now are independent. There is still a long road ahead for some of the islands under U.N. trusteeship.

The toughest of all may be the U.S. administered Trust Territory of the Pacific Islands, 2,100 islands scattered over 3 million square miles between Hawaii and the Philippines.

After 18 years of joint U.S.-U.N. effort to weld the territory's 88,000 inhabitants into a politically responsible unit, American officials will not guess when they will be ready for self-government.

AREAS DIVERGENT

A U.N. mission which visited the territory in 1964 found that "among the local inhabitants no fully matured opinions on the future of the territory had emerged."

This is one of the three territories still under the U.N. trusteeship system. The others are eastern New Guinea and tiny equatorial Nauru Island, both administered by Australia.

New Guinea covers about 93,000 square miles and has a population of 1.5 million. Nauru covers only 8 square miles and has a population of 5,000.

Nauru may gain its independence within 2 years, but it probably will remain closely linked to Australia.

INDEPENDENCE SEEN

It is assumed that New Guinea and Papua, which are administered jointly, will eventually become an independent nation of some 2 million inhabitants.

But it is also likely that Indonesia, which got western New Guinea away from the Netherlands, will eventually lay claim to the eastern part of the big island.

The Trust Territory of the Pacific Islands includes three main groups—the Carolines, the Marianas (except Guam) and the Marshalls. It was mandated to Japan by the League of Nations. The United States occupied the islands in World War II. They were placed under U.N. trusteeship in 1947.

INCORPORATION URGED

Many of the islands are volcanic and picturesque; many are little more than coral reefs. Only 96 are inhabited. The population is mainly Micronesian. The eastern boundary of the territory lies about 1,800 miles west of Hawaii.

Senator HIRAM L. FONG, Republican, of Hawaii, has introduced a resolution to put Congress on record as favoring incorporation of the islands into Hawaii, but the United States is committed to a policy of allowing the residents to determine their own future.

American officials say it will be some time before the Micronesians will be ready for a decision. The slow progress toward self-government is attributed to dispersal of the population, lack of political education, and the difficulty of creating a Micronesian identity.

When the time does come to change the territory's status, the views of the population may be determined by any one of several methods.

CONGRESS ESTABLISHED

The United States has established a Congress of Micronesia as the first legislative organ of the territory. The congress might eventually ask for independence or for self-government within the framework of the United States. The territory also might be asked to express its opinion by voting under U.N. supervision.

The Trust Territory of the Pacific Islands is unique in that it has been designated as a strategic area and, under the U.N. Charter, the U.N. Security Council has the final say.

This means that the big-power veto would apply. The Soviet Union's demands for independence of all dependent territories might make it difficult to win approval of any proposal that did not offer independence.

REDUCTION OF FREIGHT RATES ON GRAIN INTO THE SOUTHEAST

Mr. TALMADGE. Mr. President, on September 10, the Interstate Commerce Commission approved the Southern Railway System's right to reduce rates on grain into the Southeast. This will mean much to the economy of the South. The South is a deficit area in both red meat and grain. It also means a lot to

the Midwest opening up new markets for grain with higher prices for the growers.

Each year, the South must import 1 billion pounds of beef and 1.3 billion pounds of pork to meet its needs. Also, each year the South imports 12 million tons of grain to meet its needs in producing poultry, cattle, and hogs that it now produces. This decision by ICC will be a stimulus to the livestock producers in the Southeast and will be of tremendous help in raising farm income.

I ask unanimous consent that this statement by Mr. D. W. Brosnan, president of the Southern Railway System, on the decision rendered by ICC, be printed in the RECORD.

There being no objection the statement was ordered to be printed in the RECORD, as follows:

SOUTHERN RAILWAY'S GRAIN RATES

The Interstate Commerce Commission on September 10 approved, upon reconsideration, Southern Railway system's greatly reduced freight rates for grain transported in the railway's Big John 100-ton cars. The reduced rates, which have been in effect since May 11, 1963, average 60 percent under rates formerly used. The Commission had previously ordered that the rates be increased by 16 percent.

President D. W. Brosnan, of Southern Railway, said "the Interstate Commerce Commission deserves the highest praise and thanks of the American people" for its approval today, after further study, of Southern Railway's greatly reduced rates for the transportation of grain. He added: "This is regulation in the public interest, benefiting all consumers, and particularly the grain-deficit South and farmers in the grain-surplus Midwest."

"This clears the way for the fast growth of our billion dollar baby, the South's livestock industry," Brosnan said. "Nourished by Southern's low grain rates livestock production in the South, now deficit by more than 2 billion pounds annually, will take off like a rocket and put some \$2 billion of new money in circulation in the area. The grain for this will come from the Midwest and will greatly benefit the farmers in that area. Incidentally, the savings to the public in present transportation costs alone from these rates add up to \$40 million each year."

In its report today, the Interstate Commerce Commission found Southern's rates just and reasonable, without prejudice to Tennessee River ports, and that they do not result in destructive competition against barge line protestants.

THE WATER SHORTAGE AND THE ST. CROIX NATIONAL SCENIC RIVERWAY

Mr. MONDALE. Mr. President, during the last 2 weeks, the Senate has acted on legislation of key significance to the preservation of fresh water as one of our most precious natural resources. The St. Croix National Scenic Riverway bill provides for the protection and preservation of the scenic and recreational aspects of that river.

And on Tuesday, September 21, the Senate adopted a conference report on the water pollution control bill, S. 4, which I cosponsored, which will enable us to begin now to take steps to preserve our water resources.

Two fine editorials in the St. Paul Pioneer Press on the subject of water pollu-

tion and on the St. Croix National Scenic Riverway bill are worthy of the attention of the Senate, and therefore I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Pioneer Press, Sept. 19, 1965]

MONDALE ST. CROIX BILL IS SOUND

The absence of antipollution standards and the lack of any comprehensive State policy on the preservation of Minnesota's heritage of natural beauty has brought the Federal Government into the picture on the St. Croix River.

The St. Croix is included in a clean water bill, authored by Representative JOHN BLATNIK, of Minnesota, which is almost certain to be enacted in this session of Congress. It will provide for the setting of antipollution standards and controls which will be imposed on interstate waters if the States themselves fail to act.

The House and Senate passed slightly different versions and the final bill was worked out in conference.

Another bill, passed by the Senate, affects the St. Croix more directly. Coauthored by Senators WALTER MONDALE, of Minnesota, and GAYLORD NELSON, of Wisconsin, the St. Croix Scenic Riverway Act would protect the scenic and recreational assets of the river.

The measure will go before the House next session, under sponsorship of Representative JOSEPH KARTH, of St. Paul, who, with MONDALE, eliminated through amendment many of the more objectionable features of the original legislation.

It is unfortunate that Federal legislation should be necessary. It is unfortunate that Minnesota and Wisconsin have not worked out air and water pollution standards for the river they share along with a plan for some sort of civilized development for the river valley. But they have not.

As it stands now, however, the Mondale-Nelson bill is a sound piece of legislation which should provide a suitable framework in which the States, counties, and local communities involved can work with the Federal Government in the development and preservation of the valley.

It is not completely satisfactory either to the dedicated conservationist or to those who have hoped for unabated industrial development along the river. But it does permit reasonable development of the river for commercial use while protecting valuable and irreplaceable recreational resources.

The act would apply to a quarter-mile strip on both sides of the river. The area north of Taylors Falls would be preserved as a "wild river," as would 90 miles of the Namekagon River. Federal land acquisition will amount eventually to about 34,270 acres, including 31,270 acres to be purchased ultimately from Northern States Power Co.

It no longer has application to land within cities and villages—as they were constituted as of last January 1—and does not affect existing industrial or commercial development.

It is in regard to the unincorporated areas along the river that some unhappiness remains. The bill calls for the adoption of zoning ordinances in areas outside of municipalities on the lower St. Croix. These would have to conform to standards set by the Secretary of the Interior, standards which would be consistent with the recreational purposes of the act.

Critics point out that the act spells out no specific standards. They are concerned that they might be imposed at the whim of the Secretary and exclude all new industrial and commercial development in these areas regardless of their character.

The bill's author should make some clarification of this point and produce a clear congressional intent, for the Interior Department is given enormous powers under this bill and Congress should leave as little interpretation as possible up to bureaucrats.

The Secretary of the Interior, for example, would have the power to condemn land for acquisition. This authority would be suspended in areas where proper ordinances in regard to standards are in force. Any attempts to breach the ordinances or to promote undesirable development would serve to reinstate the condemnation power.

Exempt from condemnation and acquisition are individual homes, cottages, and cabins used for residential purposes. The authors, along with exempting villages and cities in the amended bill, also eliminated any confusion about whether the new NSP plant on the St. Croix would be affected. It will not.

In urging passage of the bill in the Senate, MURDALE stated:

"We cannot allow the St. Croix to go the way of our other polluted, detergent-filled, sewage-filled rivers in the United States."

"The St. Croix River is the last major unpolluted river in the United States today. Its beauty is without question. It is a clean, large, swift-flowing waterway, within easy access to thousands of Minnesotans. But if we are to stop the flood of pollution and destruction of this river, we need the cooperation and assistance of the Federal Government."

One would think that this would be the fervent desire of almost everyone. We feel that this bill goes a long way in saving the St. Croix before it is too late.

It has been an extremely complicated undertaking, with attention given to both individual rights of entrepreneurs and to the rights of the public to have and keep a heritage that is priceless beyond measure. The authors are to be complimented.

[From the St. Paul (Minn.) Pioneer Press, Sept. 7, 1965]

WATER, WATER EVERYWHERE?

There is a certain sickening irony that should not be lost on Minnesotans in the fact that while New York City is turning into a dust bowl because of a water shortage, the mighty Hudson River continues to roll by it at a rate of 11 billion gallons of fresh water a day.

Almost every schoolboy knows why the Hudson River can't be used. It's a sewer, just like the Potomac River, just like about every major river in the United States including our Mississippi.

And at a time when large thinkers are contemplating the clean rivers and streams of Canada, and wondering if, like gods of some sort, they can make these streams flow backward, we sit and look at our own contamination and shrug. That, at least, is the general pattern. Some noteworthy results at cleanup have been obtained because of determined municipal-State action in some areas of the country. But these praiseworthy efforts are dwarfed by plans for further "development" along our rivers, which development, with our misused concept of progress, threatens further contamination.

How to bring this home, to make the people thoroughly angry at this misuse of their property seems to be the project of the hour. Fishermen get annoyed when industries and municipalities turn previously clear and clean streams into flowing garbage dumps. You would think that those who can remember when it was possible to swim in the Mississippi would become similarly annoyed at being chased out by the flow of sewage and industrial waste. You would think that Minnesotans would become quite concerned over what lies in the planning and on the drawing boards for the St. Croix River, the least of which is the generating plant to be

constructed on its banks by the Northern States Power Co.

Well, you might say we have plenty of water, good clean water. It may be difficult to worry about water when we are surrounded by lakes, when the lawn may still be soggy from the last rain. But New York didn't worry much about water, either, until suddenly New Yorkers were asked to ration themselves.

It is the same with air. There is always enough to go around, until, finally, there isn't.

It was on these two subjects—water and air pollution—that the legislature let Minnesotans down the hardest at the last session. And it is on these two subjects that the municipalities of the Twin Cities must devote themselves to energetic cooperative action, forgetting, for example, such apparent boosts to civic pride as one's own sewer system, and uniting on studies, standards, and enforcement policies on both air and water pollution. Waiting for the legislature seemingly is like waiting for the horse-drawn stages which used to operate here long ago: they don't run anymore.

VENEZUELA CELEBRATES BIRTH OF ALLIANCE FOR PROGRESS

Mr. FULBRIGHT. Mr. President, during the past several weeks, the anniversary of the birth of the Alliance for Progress has been celebrated in many places all over Latin America. One such celebration occurred in Venezuela on September 15.

Among the speakers at the event in Venezuela was Mr. Patrick F. Morris, Director of the Agency for International Development's operations in that country. Mr. Morris has directed the Venezuelan AID program since its inception and, I have it on good authority, there is a no more able or more dedicated Director than Pat Morris.

Mr. Morris is being transferred back to Washington to assume wider responsibility. I hope that he will have ample opportunity to use his abundance of skill and experience in his new assignment.

Mr. President, I ask unanimous consent to have Mr. Morris' speech printed in the RECORD. I bring his thoughtful speech to the attention of the Senate because it illustrates the kind of economic progress and institution building for which the Alliance for Progress was created.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

MOBILIZATION OF NATIONAL SAVINGS TO INCREASE HOME CONSTRUCTION IN VENEZUELA
(Speech by Patrick F. Morris, Director of the Agency for International Development, in Venezuela)

It is a widely accepted fact that petroleum is the most important economic activity of Venezuela. Which should be the next most important? Iron? Petrochemicals? Manufacturing? Agriculture? All of these are important, but I believe that the construction industry should be considered very close behind the first industry.

I believe this because the construction industry makes such a major contribution to direct employment and, in addition, requires increased employment for the production of the many items and materials that are involved. From cement to tile, from plumbing fixtures to electrical fixtures and, in addition, after a structure is completed, furniture, rugs, and all of the things that are

needed to make a house a home. And the home is the foundation of any community and any nation. A man can have a job, be well clothed and well fed but if he does not have an adequate place in which to live and enjoy the material and spiritual values he is not a complete man. Yet, housing continues to be one of Venezuela's most critical problems. The lack of adequate housing contributes to other social and economic problems. The solution of the housing problem would, likewise, contribute to the solving of other problems. A large increase in home construction can do more to reduce unemployment than a similar investment in practically any other activity. Therefore, it is in the national interest that the construction industry grow even faster in the years ahead than it has in the past.

These are some of the reasons that the U.S. Agency for International Development has devoted the major portion of its loans to Venezuela under the Alliance for Progress to housing. Of \$55 million in loans, \$45 million have been to promote housing. I'd like to touch on the accomplishments Venezuela has made with the assistance of these moneys a little later.

First, however, I should like to address myself to other, indirect but extremely important programs that are underway or being explored that can be of very real importance to satisfying the grave housing shortage and contribute to an expanding construction industry.

These programs involve the application of home financing methods that permit the construction of many homes at one time, and with the economies that come with mass construction comes also the reduction in the price of each individual house making more and better homes available to a wider group of families.

I refer specifically to the housing investment guarantee program administered by AID. I am proud to say that we have four projects underway in Venezuela today that involve over \$21 million in guarantees of loans made by private investment sources in the United States. Financed by private U.S. sources, guaranteed by AID and built under the regulations and specifications of the Federal Housing Administration these 4 projects will result in the construction, for sale, of 2,392 houses and apartments with purchasers being able to buy the units with as little as 10 percent downpayment and having 20 years in which to repay the balance of the loan. The interest rate is the same as that administered by the Federal Housing Administration in the United States—5¼ percent. In addition there is a guarantee fee of 2 percent.

Of the four projects one is located in Guacara, near Valencia, and the first families have moved in this month. The project, appropriately named Ciudad Allanza, contains, in the first step, 824 single-family houses that will sell for an average of Bs399,500 with 10 percent downpayment and average monthly payments of only Bs350 per month. Another project near Puerto Ordaz is under construction and will contain 540 units which will be sold under similar terms at prices ranging from Bs51,000 to Bs62,000. A third project is now underway in Caracas and will contain 9 apartment buildings ranging from 14 to 22 floors and having 772 apartments of 1, 2, and 3 bedrooms. These apartments will range from Bs34,600 to Bs70,300 and will also be sold with 20 years in which to repay the mortgage loans. A fourth project is in the final planning stage and will be located in Caracas. It will consist of four-story apartments for sale and will have 256 apartments.

We have, then, in Venezuela, projects of different types of construction from individual houses to many-storied apartment buildings, but all have in common a method of financing that permits low interest rates

and long-term repayment period. All have in common the opportunity, through mass construction methods, to reduce costs and make more housing available to more people.

I think it is interesting that 62 percent of the families in the United States of America either own their own homes or are in the process of buying them. I think it is also interesting that each year, for more than 10 years now, we have built 1,500,000 homes. How is this done? Is it because we have better architects, engineers, builders, and planners? I think not. There is talent here in Venezuela in all of these fields that is unexcelled. What then is the reason for the continual, vast production in the United States? To a large degree it is due to the very same system of mortgage financing that the four projects we have been discussing possess. Low interest rates and long-term loans are a part of the answer. The existence of a strong, healthy Federal Housing Administration, that insures private mortgages, gives confidence to mortgage lenders. And then, in addition, we have an institution known as the Federal National Mortgage Association that stands ready to buy mortgages when necessary and with this assurance the investment companies, banks, insurance companies and savings and loan institutions of the United States are able, with security, to make construction loans at reasonable terms that insure the ability of the builder to complete his projects. The Federal National Mortgage Association is, in effect, a marketplace for mortgages. A place where they can be bought, or sold, quickly and efficiently. It is a method by which capital is marshalled on a national basis and turned over, again and again. The mortgage itself is almost as negotiable as a check drawn on a bank. This fluidity of funds makes a major contribution to the volume of homes that are built and sold each year.

During this past summer we were pleased to receive a team of three experts in the field of mortgage financing. They received not only a warm welcome from officials of government and industry here, but also requests for a publication describing the operations of the Federal National Mortgage Association. We have had such a publication translated and I have copies here with me this evening for each of you. You will find them on a table at the rear of the room when you leave. I commend it to your attention.

Let us return for a moment and examine the progress that has been made through the utilization of the several principal loans to Venezuela that I mentioned earlier.

First to the loan in the amount of \$30 millions that was made by AID to the Foundation for Community Development and Municipal Improvements. As of the moment the Foundation has made 17 subloans to 14 cities in Venezuela that involve the construction of more than 7,000 houses and apartments. More than 4,000 additional housing units are in the planning stage. This is a very commendable number of units and I think it is very interesting to note that although the subloans are made by the Foundation for Community Development, the actual planning, organization and construction of the project, is carried out directly by the local municipal government involved. This is normally accomplished through the creation of a separate municipal foundation and thus there is established with each subloan not only a housing project but the mechanism for continuing municipal improvement and community development programs throughout Venezuela. And truly it is throughout Venezuela. From San Cristobal to Isla Margarita. From Coro to Puerto La Cruz. From Maracaibo to Puerto Ayacucho. All parts of Venezuela are being reached. This is an example of the long-term benefits sought under the Alliance for Progress. The kind of benefits that are not represented by a single act, a single road, a sin-

gle bridge—but the kind of benefit that establishes continuing programs of action and progress.

Another program that is making fine progress and rapidly becoming a permanent part of the future of Venezuela is the 3-year-old savings and loan program. Initiated in 1962 with a \$10 million loan from AID and matching funds from the Government of Venezuela it has prospered and grown, until today there are 21 associations throughout the Nation. Most encouraging has been the growth of the number of individual savers and the amount of their savings. The last report shows, 22,000 savers—an increase of no less than 14,000 in the past year. Mortgage loans have been made for more than 3,000 dwelling units involving a total of more than Bs206 millions. I ask you—is this not an impressive record? I think it is indeed and one that Venezuela can be proud of.

Another AID loan of \$5 million to the Foundation for Popular Housing has been completely disbursed. The Foundation is now repaying that loan. But the important thing to me is that the Foundation did not stop building at the end of the loan but rather continues to be a force in the fight to ease the housing shortage.

Although I know that other speakers will cover in detail the housing programs that are being assisted by loans from the Inter-American Development Bank, utilizing U.S. Government funds, I would be remiss indeed if I did not mention the increasing success that the low-cost housing program of the Banco Obrero and the rural housing program of the Ministry of Sanitation are having. Vivienda Rural is attracting international attention and the thought, planning, and organization that has gone into the total program is beginning to show results. Results in terms of numbers of units built and, possibly of more importance, a major improvement in the health and welfare of rural residents of Venezuela.

All of these programs, utilizing the force and energy of the nation and being accomplished in the true spirit of the Alliance for Progress are making major contributions to the welfare of Venezuela and its people. But it is not enough. The statistics, regardless of source, agree that the shortage of housing is still acute. The numbers of substandard housing units that need elimination, the increase in population and new family formations and the families who need newer or larger quarters all require increased production of housing. Increased production of housing, as I indicated in the beginning of my remarks, can also go a long way toward relieving the unemployment problem and developing new and added skills among the labor force.

How can further inroads be made into the housing shortage and at the same time alleviate unemployment? What is needed is to marshal all of the economic, monetary, and financial resources of the nation. I said earlier that there is in Venezuela the technical and professional talent necessary to a vibrant construction industry. The economy of the nation is very strong. There exists the institutional framework and the foundation for the creation of improved financial methods. But the framework and the foundation need the finishing touches to make a financial structure sound enough for the requirements of Venezuela. For example, there is a growing savings and loan system that will, in time, have sufficient reserves in the form of free savings that will permit the making of many more mortgage loans. The Bancos Hipotecarios are expanding their capital and their lending operations each year. The Government has poured direct funds into housing notwithstanding the fact that these sums over a period of years can become a substantial drain on its resources. There are needed then the instruments that,

by providing confidence to the private investor in Venezuela, will attract capital that is now idle or that is being invested outside of Venezuela. I feel confident that there is capital enough, here in the country, to mount a housing program of vast proportion, serving all sectors of the population, that can be an example to all of Latin America.

Recently there has been much discussion in official and private circles and in the press of the need for an insured mortgage system. Something like the Federal Housing Administration in the United States. Coupled with this should be a more flexible, secondary market system. The two work together—hand in glove. They provide for security which is attractive to institutional investors. They provide the benefits of long-term, low-interest-rate mortgages for the home buyer. They are, as I said earlier, one of the principal reasons that the volume of homes constructed each year in the United States keeps pace with the population growth and demand for better homes. In addition, they make possible realistic construction financing without which the industry can never expand by its own volition. For if the industry cannot obtain the funds with which to buy the materials and pay the employees, the matter of long-term permanent mortgages becomes academic. Within existing facilities augmented by improved marshaling and utilization of domestic investment capabilities there is no doubt that a housing program will evolve that will require massive amounts of labor—skilled and unskilled—for the actual construction fields. In addition, domestic manufacturers will find it necessary to increase their labor force if they are to produce the materials that go into the construction of a house and later the furnishing of the home.

This is the formula for mobilizing national savings, for greatly increasing home construction in Venezuela, and for decreasing unemployment; all the conditions exist for the successful achievement of these aspirations. I would like to commend those who are working to put these methods into effect. Such an effort is in the best spirit of the Alliance for Progress.

I am encouraged by the interest that has been demonstrated in the recent past in assessing and attacking the problem.

I am convinced that solutions will be found.

I hope that every Venezuelan will, in the near future, have the opportunity to learn that "better living begins in a home of your own."

A NEW PRECEDENT FOR PEACE

Mr. LONG of Missouri. Mr. President, a recent issue of the St. Louis Post-Dispatch contains an editorial praising the work of the United Nations in bringing about the cease-fire between India and Pakistan. The newspaper comments:

It seems to us that the UN success suggests a further course of action—renewed action to negotiate a peace in Vietnam.

While conceding that conditions in Vietnam are different, the Post-Dispatch points out that President Johnson has already proposed that the Secretary General and individual members of the U.N. work for agreement in Vietnam.

This editorial makes several provocative points about the opportunities presented for the U.N. by the situation in Vietnam, and I recommend it to the Members.

Mr. President, I ask unanimous consent that this editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

NOW TO VIETNAM

The cease-fire obtained by the United Nations Security Council in the India-Pakistan fighting is a triumph for the U.N., for Secretary General U Thant, and for the new U.S. Ambassador to the world organization, Arthur Goldberg. It proclaims the fact that the U.N. is not impotent as its critics sometimes allege, but a vital influence in securing peace.

It is true that conditions were favorable for successful U.N. action. The United States and the Soviet Union were found in rare harmony. India and Pakistan seemed looking for a way to end hostilities without humiliation. And Chinese belligerence probably actually helped bring about U.N. cooperation.

But this in no way detracts from the achievement. What it seems to mean is that in cases in which the great powers sense a true threat to peace cooperation is possible that could not be obtained in lesser matters. The degree of accomplishment may reasonably be measured by exploring the question of what would have happened if there had been no United Nations organization.

China has lost face, a fact that may have important repercussions. The Chinese had issued an ultimatum demanding that India, which it invaded in 1962, dismantle alleged Indian bases in Himalayan border areas. India stood firm under the Chinese threats, and when it appeared the U.N. would obtain a truce, China announced India had complied with its ultimatum. No one will take this claim very seriously.

Now the U.N. should follow up promptly with a vigorous effort to help India and Pakistan settle their longstanding quarrel over Kashmir. This problem has defied solution heretofore, but some answer must be found. Pakistan challenged the U.N. to develop a settlement formula, and in view of what has happened in the last few days both India and Pakistan may be disposed to accept compromise.

It seems to us that the U.N. success suggests a further course of action—renewed efforts to negotiate a peace in Vietnam. It will be recalled that when President Mohammed Ayub Khan proposed last week that President Johnson undertake personally to promote an Indian-Pakistan settlement, Mr. Johnson replied, to his credit, that the U.N. was the proper place for settling the dispute and that the United States was backing the U.N.'s efforts.

Mr. Johnson has already proposed that the Secretary General and individual members of the U.N. work for an agreement in Vietnam, and he is reported willing to take the issue to the Security Council. One of the major weaknesses of the U.S. position in Vietnam is that the United States is virtually going it alone.

Now it has been shown what the U.N. can do if the big powers work together. Could not similar cooperation be enlisted in the Vietnam situation? There is a different set of circumstances there, to be sure. But an example of effectiveness has been given that should stimulate the U.N. to further accomplishment.

FAMINE AHEAD

Mr. McGOVERN. Mr. President, the urgent need for action to meet world food requirements, which I have discussed in major speeches in the Senate, is underlined in the August 1965 report of B. R. Sen, Director General of the World Food and Agriculture Organization.

Copies of Mr. Sen's report to heads of the agricultural departments of the nations has just become available.

Mr. Sen says, in relation to world food supplies:

The outlook is alarming. In some of the most heavily populated areas the outbreak of famines within the next 5 to 10 years cannot be excluded.

Mr. Sen reports that the 1964-65 world food harvest increased 1 percent while world population grew 2 percent. He adds:

While a small movement up or down in a single year in food production per head may not be significant, we are now facing something far more serious. The stark fact is that it is now no less than 7 years since there was any appreciable increase in food production per head of the world's population, 7 very lean years for the developing countries.

Mr. President, here are the makings of the riots and revolutions of the 1970's. Here are the makings of unrest and revolt. Here are the makings of violence and setbacks for peaceful development, unless we right now mount a war against want.

If we were to triple the increase in production per capita in the world in the next 7 years, from 1 to 3 percent, we would in 1972 have food supplies only equivalent to the per capita supply in 1958.

We must do much more, or face the inevitable consequences—the consequences of poverty, hunger, and underdevelopment which in the past have opened the way for Communist takeovers.

Mr. President, I ask unanimous consent that Mr. Sen's August report to ministers of agriculture be printed in the *RECORD* and I urge every Member of Congress to read it thoughtfully for it is a flashing red light which should warn us all of great dangers ahead.

There being no objection, the report was ordered to be printed in the *RECORD*, as follows:

REPORT OF FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS, No. 90, AUGUST 1965

MY DEAR MINISTER: It is quite a long interval since I last addressed you. The latest figures about world economic trends continue to show a deterioration in the situation. There was a small increase in food production in the 1964-65 harvest year. But this increase, according to FAO's preliminary estimates (unlikely, however, to be substantially changed), was little more than 1 percent. It was thus less than the growth of population, now running at the rate of about 2 percent annually. While a small movement up or down in a single year in food production per head may not be significant, we are now facing something far more serious. The stark fact is that it is now no less than 7 years since there was any appreciable increase in food production per head of the world's population, 7 very lean years for the developing countries.

2. The outlook is alarming. In some of the most heavily populated areas the outbreak of serious famines within the next 5 to 10 years cannot be excluded. And if food output everywhere just kept pace with population growth at the present level of consumption, by the end of this century the number of people who would be subject to

hunger and malnutrition would be double what it is today.

3. This is a prospect which the conscience of mankind cannot possibly tolerate. The adoption of population stabilization measures is now being recognized as a social policy of urgent priority. But it must be realized that the effect of such measures, if adopted, on global food demand would only be clearly visible after some considerable time. Meanwhile, the expansion of agricultural production and rural incomes would acquire increasing urgency from day to day. We must achieve specific production targets on the basis of realistic figures of population growth if we want to avoid serious breakdown in food supply.

4. We know that there exist enough physical resources and knowledge to meet for considerable time the needs of mankind, even at the present rates of population growth. But to do so in time requires far greater efforts than have hitherto been undertaken. Nothing short of the immediate mobilization of the world's entire resources of capital, skill, and imagination could meet that challenge.

5. During the last few years FAO has changed from a primarily technical organization to become one of the world's most important development agencies, and is concentrating more and more on operational work. Out of some \$65 million to be spent this year through FAO, about \$45 million will be devoted to development operations.

6. We have, moreover, deliberately moved in our field operations from studies and surveys to action and implementation. The agreement setting up at FAO Headquarters a joint FAO/IBRD division constitutes a major step in that direction. I am happy to say that this arrangement is already beginning to yield tangible results and that by the end of 1965 the work of the joint unit will have resulted in development loans and farm credits for very substantial amounts. As you probably know, a similar agreement was recently concluded with the Inter-American Development Bank.

7. A further important step to speed up agricultural development is the World Indicative Plan which was discussed by FAO's Council last June and will constitute my major proposal to the forthcoming 13th session of the Conference. The need for such a plan stems from the unsatisfactory rate of progress and the realization that we can meet the challenge only by setting quantitative targets and specific deadlines all of which need to be consistent with each other and governed by strict priorities.

8. In this global effort, a massive expansion of industries related to agricultural production and food distribution, and this is the main theme of my present letter, deserves a very high priority, especially since the possibilities in these fields are far from having been fully exploited. Local processing, easy and cheap transportation, and better storage, are indispensable means to reduce waste which takes such a heavy toll of food output in the developing countries. Fertilizer, seed, vaccines, and pesticides are needed to step up agricultural productivity—while balance-of-trade considerations make it imperative that more and more of these steeply rising agricultural inputs be produced by the developing nations themselves. FAO's particular concern and responsibility for the industries processing raw materials from farms, forests, and the sea is determined moreover by the fact that they provide an important means for import savings and a potentially substantial source of export earnings. It needs to be realized that the hopes attached by newly independent nations to this type of industrialization have so far not been fulfilled. Yet the obstacles hitherto encountered will continue as long as raw material production and industrial processing are not

jointly planned and carried out in continuous and organic relation with each other.

9. Most processing industries are best located in, or closely adjacent to, rural areas and the same is true for the manufacture of farm machinery and other agricultural inputs. These industries are capable of providing vitally needed employment and incomes to rural people and act as a brake on the exodus to urban slums.

10. For all these reasons FAO has always given considerable attention to the development of certain industries, i.e., both those devoted to the processing of farm, forest and marine products for which FAO carries direct responsibility, and those industries which help to raise productivity, and improve distribution. We also have close ties with many industrial enterprises which specialize in establishing new processing industries in the developing regions.

11. In certain fields, like forest industries, pulp and paper manufacture, fish processing, and fertilizer application, continuous cooperation has already been established and has produced encouraging results. Usually this cooperation is achieved through advisory committees or special industry panels established under FAO's regular program and more recently within the framework of FFHC. In addition, FAO's work has had the benefit of significant industry support for specific projects in fighting animal disease, or in organizing research work and field demonstrations.

12. These encouraging examples have shown that cooperation between FAO and private industry is both possible and mutually beneficial. But they also make it clear that if this cooperation were intensified and applied to a much broader range of industries, this could result in significant stepping up of agricultural development and rural incomes in the broadest sense of the term; it may even constitute the decisive breakthrough for all our efforts.

13. Accordingly, I have initiated in the past few months consultations with leading industrialists in North America and Western Europe, and am happy to report that their reaction to the establishment of regular cooperation in many fields of joint concern has been very positive. Informal meetings with industrialists were arranged between April and June, within the framework of FFHC, in Chicago, Paris, Rome, and New York, and have shown that leading industrialists are fully conscious of the dangers inherent in the present trends in income growth and food supplies of the developing nations and are anxious to participate actively in efforts to change these trends. A meeting held on June 9, in New York, with some 30 executives of large food, equipment, packaging, and other industries connected with our work, in which also senior officers of the special fund and IBRD participated, has come out with a first list of specific areas for regular, continuous cooperation between these industries and FAO. They include such matters as: information on investment needs and prospects; planning for raw material supplies; preinvestment surveys; better information of the public about world food problems, and the efforts undertaken by governments and by private industries to stem the tide; joint support for research institutes, and field demonstrations; industry-sponsored training of skilled manpower and joint efforts to study and change food habits.

14. The meeting concluded with a suggestion that I should invite a small group of industrial leaders to Rome in order to discuss in specific terms how this intensified cooperation could best be organized. It was generally felt that establishment of panels or committees as part of the freedom from hunger campaign would be one of the methods to be envisaged but that these panels would need to be supplemented by further arrangements in regard to public

information, investment planning, and continuous liaison.

15. In these discussions it was inevitable that the role of private enterprise in the development of modern agriculture and related activities should be touched upon. It was clearly understood by all concerned that while industrial initiatives from Europe and North America were bound to be based on the interest and support of private business, it would be left to the government of each developing nation whether and in what form it wishes to take advantage of these possibilities and what guarantees it was prepared to offer for the security of foreign investment and for the efficient working and maintenance of new industrial plants.

16. I am writing this letter to inform you of these contacts and projects even though they are still in a tentative stage and are likely to be undertaken mainly within the framework of the freedom from hunger campaign.

17. I am sure you will agree that if the managerial ability, technical know-how, scientific experience, and capital resources of the leading industries in Europe and North America could be mobilized to support our efforts to free the world from hunger, we would have made a significant move forward in our desperate race against time. I therefore hope that member governments will approve of this move and lend their support to my endeavors in devising proper methods and arrangements for placing our cooperation with industry on a broad and continuing basis.

Yours sincerely,

B. R. SEN,
Director-General.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed the consideration of the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, will the distinguished majority leader yield to me on another matter?

Mr. MANSFIELD. I yield to the Senator from Washington.

CONTINUATION OF APPROPRIATIONS FOR FISCAL YEAR 1966

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the con-

sideration of House Joint Resolution 673, which was reported today.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H.J. Res. 673) making continuing appropriations for fiscal year 1966, and for other purposes.

Mr. MAGNUSON. Mr. President, this joint resolution extends from September 30 to October 15 existing provisions of law, providing funds for the operation of those agencies of Government for which the regular appropriation bills for the fiscal year 1966 have not yet been enacted.

All authority under this temporary resolution expires on October 15, 1965.

For the information of the Senate, following is a report on the current status of the various appropriation bills.

Three regular appropriation bills—agriculture, public works, and foreign assistance—have passed both Houses and are awaiting action by the committees of conference. All other regular bills have cleared the Congress and been signed into law or are awaiting the President's signature.

There still remains, of course, the final appropriation bill of the session, the supplemental for fiscal year 1966, which has not yet been reported by the House committee.

An unusual provision has been added to this joint resolution, to appropriate such amounts as may be necessary for continuing civil supersonic aircraft development activities. As stated in the committee report, that project has been underway since 1962 with appropriations made on a continuing, available-until-expended basis. The budget for 1966 did not contain supplementary funding recommendations because of various special studies that were underway and certain technical problems that were under evaluation. Decisions have since been made, and on August 12 the President requested \$140 million additional in House Document No. 261. This request will be considered in the final supplemental bill. The prior appropriations will be exhausted within the next several days, and to avoid a disruptive gap in the work on this important project the resolution, in effect, advances some of the pending supplemental request, but at a rate not in excess of one-twelfth the annual amount.

Mr. President, I urge the adoption of this joint resolution.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Appropriations Committee, by its action today, has extended the appropriations on last year's basis until the 15th of October, with the hope that by that time all the appropriation bills will be passed.

As the Senator from Washington has said, there is an unusual provision in this continuing resolution as to the civil supersonic aircraft development activities.

The FAA has run out of funds, and has been using its reserve funds. The joint resolution would permit the FAA to continue on a monthly basis, based on an annual appropriation of \$140 million for continued research and development. The committee has unanimously adopted that provision in its report, which I think is very important. I should like to read it:

The committee wishes to make it clear that by appropriating these funds to continue this work on the research and development of the civil supersonic aircraft, at the rate contained in House Joint Resolution 673, that it does not commit itself to recommend an appropriation on an annual basis at this rate without further hearings as to the progress of the research to date, and its ultimate value leading to the production of such aircraft.

In other words, while we appropriate on a monthly basis of an annual appropriation of \$140 million, when the supplemental bill comes before us for hearing we can, in our discretion, recommend to the Senate that the \$140 million be reduced or enlarged. Presumably, the only proper recommendation would be to reduce it, if the committee believes such recommendation should be made.

Mr. DIRKSEN. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I am glad to yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I should like to inquire of the Senator from Washington whether he knows what authorizations are still undisposed of which will have to be covered by appropriations before this session of Congress is over.

Mr. MAGNUSON. Is the Senator speaking now of moneys which have been appropriated by the House?

Mr. DIRKSEN. I am speaking now of authorizations.

Mr. MAGNUSON. Yes—awaiting authorizations.

Mr. DIRKSEN. That is correct.

Mr. MAGNUSON. I believe that there are several in the so-called public works bill. We often do that. However, no money will be expended until the projects are authorized.

The public works authorization bill has passed the House, and I believe that we are ready to go to conference with the authorization bill. We accepted the Public Works Committee appropriation bill. It has passed both House and Senate. The Senator from Louisiana [Mr. ELLENDER], the chairman of the committee, is waiting for the authorization on public works. I do not know whether there are any further authorizations involved in the agriculture bill. That will be in the supplemental. I am not sure. I cannot say.

Mr. SALTONSTALL. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. In further answer to the Senator from Illinois, if the Senator from Washington will permit me, there are a certain number of other authorizations, bills such as the poverty program, the school program, and programs about which it is my understanding no recommendations have yet come from the Bureau of the Budget for the

expenditures, so that supplemental bills are still pending before the House; but, in addition, there may be messages coming down for additional appropriations for authorization bills which we have already passed, but they have not yet come down to us from the Budget Bureau.

Mr. MAGNUSON. In the main, there will be the poverty program, the new area redevelopment program, and the higher education bill.

Mr. DIRKSEN. Those will not be included in the supplemental bill which is presently pending in the House?

Mr. MAGNUSON. We do not know.

Mr. SALTONSTALL. We do not know. We hope they will have to come down with additional messages.

Mr. PROXMIRE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. PROXMIRE. Let me say to the Senator from Washington that, as he knows, I was present at the early hearings this morning, and I am deeply concerned with getting an answer from the administration on whether it intends to cover the interest costs to the Federal Government in financing this very expensive supersonic transport.

As I understand, the figures will involve nearly \$2 billion. The interest over a period of years could be \$600 to \$800 million. If interest were not involved, the subsidy would be substantial, and I would feel strongly that I would have to oppose it.

I know that the Senator from Washington cannot give me an answer to that question at this time, but I should like to make the point, as we make one-twelfth of \$140 million in appropriations available. I hope we can get that answer, because it is extremely important from the standpoint of fiscal responsibility.

Mr. MAGNUSON. As we all know, General McKee testified that the President has appointed a committee to investigate and go into the matter of recapturing the costs. The Committee on Commerce, with the Senator from Oklahoma [Mr. MONROE], held long hearings. He stated that he hoped it would be possible to obtain the services of Secretary of Defense McNamara, Mr. Black, and Mr. Osborn, that they are now working on that problem, and that he would have the program ready for us in January, in the written budget.

I believe the Senator will recall that the Senator from Oklahoma said that he expected the committee to obtain a recommendation. General McKee said that he expected the committee would give him a really bad time if he did not spell it out in detail. His suspicions were correct.

Mr. PROXMIRE. I thank the Senator from Washington.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution was ordered to a third reading, was read the third time, and passed.

Mr. MAGNUSON. Mr. President, I yield the floor.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is H.R. 9042.

The Senate resumed the consideration of the bill (H.R. 9042) to provide for the implementation of the agreement concerning automotive products between the Government of the United States of America and the Government of Canada, and for other purposes.

ORDER OF BUSINESS

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTES TO SECRETARY OF THE AIR FORCE EUGENE M. ZUCKERT

Mr. SYMINGTON. Mr. President, in the next few days this Government will be losing one of its most outstanding public servants.

It is very hard for those of us who have known Secretary of the Air Force Eugene M. Zuckert to realize that he will shortly leave that Air Force he has served so well.

During the formative period of this organization, when it was faced with such basic changes as development and deployment of "long-range missiles," reinvigoration and expansion of the tactical arm, formation of special counter-insurgency units, and strengthening of airlift capability, Gene Zuckert consistently provided the "steadfast leadership" needed to maintain and improve this service as a vital part of our National security.

Longer than any other Secretary, Mr. Zuckert directed the Air Force. His character, capacity for work and calm understanding of all the inevitable problems has built up for him over the years a unique position in this town.

Mr. Zuckert's association with the Air Force dates back to 1946, when he served as Special Assistant to the Assistant Secretary of War for Air. When the Air Force was established as an independent service in 1947, he became Assistant Secretary and served in this capacity until 1952. He later served as a member of the Atomic Energy Commission.

When, in January 1961, he became the Secretary, Gene Zuckert had already established "a rare record of competence" in various high-level Government positions.

The professionalism he represented as a civilian has been matched under his guidance by the dedicated military personnel of the Air Force, in the management of the annual budget of the Department, and of the billions of dollars

of property for which the Department is responsible.

At the same time, the Air Force, in cooperation with NASA, has developed in superb fashion our National position in space.

For the sake of the country, let us all hope that Mr. Zuckert's absence from Government will be only temporary.

The Air Force will remember Gene Zuckert forever as one whose guiding hand has been so effective in these two first decades of the nuclear space age.

The Nation will remember him for a job well done.

Mr. President, the junior Senator from Nevada [Mr. CANNON], one of our colleagues with an outstanding record in the U.S. Army Air Corps during World War II, and a longtime friend of Secretary Zuckert, is on an official trip to Korea as a member of the Senate Armed Services Committee. Were it possible for him to be here today, he would be joining in person in this tribute to the Secretary.

He has asked me, in his absence, to present to the Senate his high opinion of this dedicated public servant.

Mr. President, I ask unanimous consent that the statement of the Senator from Nevada be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

STATEMENT BY SENATOR CANNON

It is both a sad and pleasurable occasion to address the Senate with a few comments on a great American who is about to leave public service.

It is particularly difficult when that man is a friend whose accomplishments in Government stand as a model for those who will take his place in days to come.

I refer to Secretary of the Air Force Eugene M. Zuckert whose long and honorable service with the Air Force soon will come to a close.

No service ever had a more dedicated and knowledgeable spokesman. It is no surprise that during his stewardship, the Air Force became recognized throughout the world, by friend and foe alike, as the major deterrent force which insures our peace.

It is no surprise that Eugene Zuckert served in the office of the Secretary for longer than any other man. His leadership spans nearly 20 years, dating almost from the time that the Air Force became an independent service while Mr. Zuckert served as special assistant to the Assistant Secretary of War for Air. He served for a time on the Atomic Energy Commission and brought a high degree of competence and ability to this important operation.

After more than 4½ years as Secretary, Eugene Zuckert has established an enviable record, and I suggest that his devotion to the service and his unique skills will make his absence from Government of very short duration. No man who has done what he has for the Air Force in the critical years when that service entered the space age can be forgotten or easily replaced. It is a pleasure to salute him and to join with his myriad friends throughout the Nation in congratulating him upon a job well done.

It is my hope that his energies which are still needed will continue to be made available to a grateful Government.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I am pleased to associate myself with the remarks made by the Senator from Missouri, expressing his high regard for Air Force Secretary Eugene M. Zuckert. I share the Senator's views completely; and, since the Senator was the first Secretary of the Air Force and an outstanding Secretary, I know that his praise is founded in a full appreciation of the enormity of the task and the exceptional competence of Secretary Zuckert.

I am reminded of the recent tragedy at the Titan II missile silo in Searcy, Ark. I accompanied Secretary Zuckert upon his inspection visit to the disaster scene, and his capable handling of this incident is fresh evidence of his capacity for purposeful and deliberate action under trying circumstances.

I congratulate Secretary Zuckert as he reaches this milestone in his public service. I hope that other opportunities for service will develop, so that his vast experience and wise counsel will again be available to a nation with the good fortune to number Gene Zuckert among its devoted servants.

Mr. SYMINGTON. I thank the able Senator from Arkansas, whose remarks I know Secretary Zuckert will appreciate.

I yield now to the ranking minority member of the Foreign Relations Committee, the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, I wish to join my colleague from Missouri and my other colleagues in congratulating Mr. Zuckert upon his service to our Government and wish him many more years of useful life, and I hope he will come back to the service of the Government. He has always been helpful to us on the committee, and he has given us confidence in our relations with him. I have always known him to be helpful when we have had difficult situations in Massachusetts. I hope that, in whatever endeavor he undertakes, he will succeed. I have known him very well over the years and consider him a friend. He has been a dedicated public servant.

Mr. SYMINGTON. I thank the able Senator from Massachusetts for his kind comments. He has known Secretary Zuckert as a friend, as I have.

Mr. President, I yield to the Senator from Maine.

Mrs. SMITH. Mr. President, I recall so vividly in the 1960 presidential election campaign the critical observations that John F. Kennedy made about the short tenure of Cabinet and subcommittee members of the Eisenhower administration. I recall that he capped his criticism of the Eisenhower administration on this score by saying that if he were elected President he would appoint for service in his administration men who would enlist for the duration instead of just a short time.

Of the military service secretaries—Army, Navy, and Air Force—the only Kennedy appointee who enlisted and stayed for the duration of the Kennedy administration is the now retiring Secretary of the Air Force Eugene M. Zuckert. He is the only service secretary who kept the Kennedy promise of

enlistment for the duration—the only Kennedy appointee to head one of the services who was so dedicated that he resisted other more lucrative or more restful offerings in order to serve his country as he best knew how. He alone kept the faith of the Kennedy promise.

Need more be said about the dedication and loyalty of a man to his President, his country, and to the military service he headed?

Mr. SYMINGTON. I am sure the retiring Secretary will appreciate the recognition of his dedication by the Senator from Maine.

I now yield to the distinguished minority leader [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, when I was taking my oath of office at the other end of the Capitol as a Member of the House of Representatives, Secretary Zuckert was receiving a bachelor's degree at Yale. That was some time ago.

Few men have entered the service of our Government with such an all-inclusive, well-rounded education. He has an engineering degree. He is a lawyer. He has been a practicing lawyer. He has done outstanding work in the field of atomic energy. He has been a student of activities of government, and also has been active in private life. I doubt whether we could ever find a man of his age who brought so much skill and devoted service in so many fields of activity. One feels a sense of distress that this Government is going to lose a man of such talents.

I do not know what his plans are, but I trust life will deal gently with him. I am certain that, whatever he does, he will devote his creative talents to the cause of the people of this country and to his country.

Mr. SYMINGTON. I know how deeply the Secretary will appreciate the distinguished minority leader's kind and gracious remarks. The Senator mentions his graduation from Yale. He was also associated as an instructor with the Harvard Graduate School of Business Administration. That was one reason Secretary McNamara selected Mr. Zuckert as his Air Force Secretary.

I yield now to the distinguished Senator from Georgia [Mr. TALMADGE].

Mr. TALMADGE. Mr. President, I am happy indeed to associate myself with the remarks of the distinguished Senator from Missouri and other colleagues with respect to the services of Secretary Eugene Zuckert. It was my pleasure to attend a rapid reading class, which both the Senator from Missouri and I had the great privilege of attending, and Gene Zuckert was one of our classmates. He was a private citizen then. I came to know him, and I valued his friendship.

I was pleased to see him become Secretary of the Air Force. He has rendered outstanding service in that capacity. He has contributed much to the efficiency which the Air Force has today. We can say that it is in first-class condition as we read almost daily of its operations in Vietnam. He has been an able and dedicated public servant. As he enters retirement from his office,

I hope his valuable services will not be lost to the Government of the United States.

Mr. SYMINGTON. I thank my colleague and former classmate for his remarks. I know that the Secretary will appreciate his kind thoughts.

I yield now to the distinguished Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I associate myself with the remarks made by the distinguished Senator from Missouri [Mr. SYMINGTON], regarding the outstanding service of Air Force Secretary Eugene Zuckert.

I have been privileged to have many personal contacts with Secretary Zuckert in regard to matters affecting the Air Force and its operation in our State.

Following the closing of the Schilling Air Force Base at Salina, Kans., Secretary Zuckert and his staff were most helpful in the transition from an Air Force base to local use. This operation affected several thousand military and civilian personnel and created a difficult problem for the community and the State, but everyone associated with the transition had nothing but high praise for Secretary Zuckert and his staff.

While there is still work to be done in connection with the changeover of this Air Force base, much sound, constructive work has been done that will, in the long run, be of great advantage to the community and our State.

I have enjoyed my association with Secretary Zuckert and regret his retirement from his present position. I wish him well in whatever endeavor he undertakes.

Mr. SYMINGTON. The Secretary will appreciate those remarks by the Senator from Kansas.

Now to the distinguished Senator from Washington, who is also a member of the Armed Services Committee, I am glad to yield.

Mr. JACKSON. Mr. President, one of the major problems in the field of national security has been to persuade competent, experienced people to stay in key positions for periods long enough to make full use of their experience. When one examines the record of Secretary Zuckert, one cannot help but be impressed by the fact that he has worked for more than 19 years with great effectiveness and diligence in the national security area.

As the able Senator from Missouri [Mr. SYMINGTON] has pointed out, he has served as Secretary of the Air Force longer than any previous Secretary. In that post he has rendered outstanding service to the Nation. He brought to the office all of his experience and understanding of problems of national security.

During the period I had the privilege of working with him on various matters, including the time when he served as a member of the Atomic Energy Commission, he demonstrated the high degree of professionalism that we need in handling the critical national security problems.

I join other Senators today in wishing him well. He is a young man. I

know he will continue to serve his country no matter what his new assignment may be.

Mr. SYMINGTON. Mr. President, the remarks of the Senator from Washington, especially since he is a member of the Joint Atomic Energy Committee, will have special significance to the retiring Secretary who has also served on the Atomic Energy Commission.

I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I join the distinguished senior Senator from Missouri and other Senators in their commendations of Eugene Zuckert, and in regretting that he is leaving his position as Secretary of the Air Force.

It is not coincidental that the distinguished Senator from Missouri [Mr. SYMINGTON], who now has the floor, happened to be the first Secretary of the Air Force. I believe at that time Eugene Zuckert received some training in the office which he has occupied with such distinction over the past 5 years.

I have known Eugene Zuckert for at least 20 years. He was a member of the Atomic Energy Commission, as the distinguished junior Senator from Washington [Mr. JACKSON] pointed out, where he performed in an exemplary fashion.

He has been one of the best Secretaries of the Air Force. His going is the cause of deep regret to those of us in the Senate and the Congress who have known him so well and so intimately, but it is also a cause of regret, I am sure, to the President, the Secretary of Defense, and the entire Department of Defense.

Eugene Zuckert is still a relatively young man. While we do not wish to see him go, we know that because of his sense of duty and obligation he will be on call; and when his country needs him he will not fail us.

I join the distinguished Senator from Missouri [Mr. SYMINGTON] in saying hail and farewell. I extend my commendations and congratulations to Eugene Zuckert for a job well done.

Mr. SYMINGTON. I am sure that the meaningful tribute of the distinguished majority leader will long be remembered by the Secretary of the Air Force.

I yield to the Senator from the State of Ohio, where the great Air Force base in Dayton stands as a monument to Eugene Zuckert.

Mr. LAUSCHE. Mr. President, I join other Senators in expressing regrets that Eugene Zuckert is leaving the service of the U.S. Government.

For approximately 20 years he was connected with two important branches of our activities in this modern era. He has been intimately connected with the Air Force. He was a member of the Atomic Energy Commission.

My contact with him has not been great. I have been at his office a number of times. However, I recognize that the services with which he was connected are most intimately related to the security of our Nation. Although he was connected with those very important services, Eugene Zuckert stands out to me as a man who retired humbly into the recesses of his office, working diligently and vig-

orously, without concern about the publicity that he might receive.

I believe that almost more than any other person that has served the Government during my 9 years in Washington he has not sought publicity, but retiringly and humbly has worked at his desk incessantly, promoting the security of our country.

I regret his leaving because, with 19 years of background, there is lodged in his mind a wealth of knowledge and experience that is needed for the maintenance of our country in the high position which it occupies in the air service.

He has served for 19 years. He has given the better years of his life in the service of his fellow men in the United States. I can understand that he wants to retire and get into private life.

First, I thank him for the extraordinary services he rendered to the people of our country. Second, I wish for him and his family success in his private life, and especially comfort in the knowledge that he gave unstintingly for the benefit of his fellow men.

Mr. SYMINGTON. I am sure that the retiring Secretary will be grateful for the sincere praise of the distinguished Senator from Ohio.

I yield to the Senator from Hawaii.

Mr. FONG. Mr. President, I wish to join the senior Senator from Missouri and other Senators in paying tribute and commendation to the dedicated and capable Secretary of the Air Force, who is about to retire on September 30, 1965.

As a member of the Air Force in World War II, stationed at Hickam Field, and as a colonel in the Air Force Reserve, I believe I know something of the progress and the work of the Air Force.

The Honorable Eugene Zuckert, Secretary of the Air Force, has a very unique place in the hearts of the personnel of the U.S. Air Force. He is respected and we all know of his years of dedicated service in the interests of his Government.

During his leadership in the 4½ years that he has been Secretary of the Air Force, the Air Force has made tremendous progress and is still our Nation's prime deterrent to aggression.

The defense of this country can boast a strike force consisting of a proper mix of strategic bombers and intercontinental ballistic missiles. At the same time, the tactical warfare capability of the Air Force is better than ever. Other aspects of conventional warfare have been given top priority and new ideas have resulted in changes in existing tactics and doctrine. The airlift capacity of the Air Force has been doubled during Mr. Zuckert's tenure and he has taken steps for its further augmentation.

In every area the Air Force is stronger and we owe a debt of gratitude to Secretary Zuckert for this accomplishment. Indeed, he has earned his retirement and I hope he enjoys it to the fullest.

Upon his retirement I say to him, may your blessings be as full as the eastern ocean and your life as everlasting as the southern hills.

Mr. SYMINGTON. The Secretary is rightfully honored in the thoughtful

comments made by a former fellow officer of the Air Force.

I yield to the distinguished assistant majority leader.

Mr. LONG of Louisiana. Mr. President, I wish to associate myself with the kind remarks made by the distinguished Senator from Missouri.

Eugene Zuckert served this country honorably and extremely well over a great number of years. This type service is a dedicated contribution to our Nation. It is undoubtedly at great personal cost and financial sacrifice. We have been extremely fortunate to have Eugene Zuckert's services as Secretary of the Air Force at a critical time in the history of this Nation.

He had to make a difficult decision. I regret that some of those decisions have not favored Louisiana; some have, but none of us ever had any doubt about the man, in each of those decisions made in the national interest, as the good Lord gave him the right and power to see it.

We are saying goodbye to the services of a great American, but I hope we will have the pleasure of seeing him in Washington. He has made a great contribution to our country.

Mr. SYMINGTON. I know the Secretary will be grateful for the kind remarks from the assistant majority leader who has known the Secretary well for so many years.

I yield to the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, I have listened with approbation and joy to the eloquent and splendid tributes and expressions of appreciation that have been given with respect to the services and the man, Secretary Eugene Zuckert.

On behalf of the people of Tennessee—yes, on behalf of the people of the United States—I express appreciation for the distinguished career of service which Mr. Zuckert has provided for his country. Perhaps because of him, more than any other human being, we can be satisfied that the United States has air superiority today. Perhaps to him, more than to any other human being, the surge into the jet age, the technical maneuverability, and the strategic concepts upon which U.S. air supremacy now rests can be credited.

Not only has his service as Secretary of the Air Force been distinguished, but, as has been pointed out he was a pioneer, a bold spirit, and an able executive as a member of the U.S. Atomic Energy Commission.

Without making this tribute too long, I should like to express a word of personal appreciation for the personality of the man and for the pleasant official conduct which was his manner. As a member of the Joint Committee on Atomic Energy, I worked closely with him concerning the problems of the Atomic Energy Commission, nuclear power, and the community problems of Oak Ridge. Because of the facilities located in Tennessee and elsewhere, I have worked closely with him in his latter position as Secretary of the Air Force.

Upon any and all occasions, he demonstrates himself with credit, but also with that pleasant extra attribute that has endeared him to so many of us.

Into his retirement from public service, which I hope will be temporary, I am sure he takes the best wishes of every Member of the Senate, as well as the gratitude of each.

Mr. SYMINGTON. Mr. President, especially because the distinguished senior Senator from Tennessee is the ranking member of the Joint Committee on Atomic Energy and has been a friend of Secretary Zuckert for many years, I know that Mr. Zuckert will be moved by the Senator's appreciative remarks.

I now yield to the distinguished senior Senator from New York.

Mr. JAVITS. Mr. President, because Eugene Zuckert is a New Yorker, I know that he would have an especial feeling for the thanks and appreciation of the people of the State I have the honor to represent in part, and which I know I bespeak here.

On September 24, I placed in the RECORD, because I thought the Senator from Missouri would speak on that day, a statement of my expression of friendship and appreciation for Secretary Zuckert's service to the Nation and to its people for a task extremely well done. Knowing him as well as I do personally, I feel certain that that is the only thanks he wants.

But I say to the Senator from Missouri, who has been so gracious as to lay this subject before the Senate, that I had an excellent opportunity to observe the Secretary under difficult circumstances during the TFX hearings before the Subcommittee on Investigations of the Committee on Government Operations. I believe that the Senator from Missouri, as one of his friends, and the people of the Nation, as well, would have glowed with pride at Secretary Zuckert's candor, at his knowledge of the subject, and at the objectivity with which he testified before the committee. Notwithstanding the fact that he was on the stand for hours and was sharply and thoroughly examined, I never detected in his demeanor anything but the utmost satisfaction that the legislative branch of the U.S. Government also was doing its homework and was pursuing its duty indefatigably and vigorously. I am sure that he had a certain satisfaction that the legislative branch was measuring up to the high standards which he himself had set in the executive department. I know of no greater tribute that could be paid to him as a public servant than to specify this example of his high quality and his high character.

Like other Senators, I bespeak for him, a young man, a healthful, happy, fruitful life, and extend congratulations to him and to his family for the outstanding service he has rendered for the Nation.

Mr. SYMINGTON. Mr. President, the worthy qualities of Secretary Zuckert are well recognized in the words of the senior Senator from his own great State of New York.

I now yield to the able and distinguished senior Senator from Oklahoma, the civilian authority in the Senate on aviation.

Mr. MONRONEY. Mr. President, I agree with the comments that have been

made by Senators who have been associated with Secretary Zuckert throughout the years, especially those of the first Secretary of the Air Force, the distinguished senior Senator from Missouri [Mr. SYMINGTON]. Eugene Zuckert first served with the Army Air Force, later with the Atomic Energy Commission, and now has served longer than any other man in history as Secretary of the Air Force. He has given strong leadership to the Nation in two of the most critical fields of our defense service; namely, in the air defense of the Nation and the farflung areas which are protected by air, and also in the field of atomic energy. His service and leadership has been characterized by his emphasis in maintaining a taut ship, a modern organization.

He carefully marshaled our first supersonic fighters, our great bomber complex, and our missiles to provide unprecedented intercontinental defense and attack capabilities. He strengthened the Air Force when it was weak in logistics and had practically no adequate airlift. He caused the great forward step we are now seeing in the C-141 and the soon-to-be-purchased C-5A.

He wanted a modern air force and fought like a tiger to obtain the necessary equipment. He matched our great capability of manpower with our great capability of production.

After the missile threat appeared, it was Gene Zuckert who spearheaded the retrieval of our position. Long before anyone thought it could be done, he organized the placement of missiles across the Nation to give us the great strength we now have in that field.

Gene Zuckert knows the problems personally, because he gets into the field and sees them. He listens to the men in his organization. Above all, he operates a happy ship. He has always been available to Members of Congress to listen to their problems or to meet with people from their States who have problems involving the Air Force.

Because of his good humor, his keen sense of judgment, and his fairness, he has left a reputation that few men in Government have equaled. He is one of the hardest workers I have ever known. It is not unusual, if one needs to see him, to be offered a 6:45 a.m. appointment in his office, or a Saturday engagement at 7 o'clock. He is that kind of public servant. He personally wanted to see everyone who needed to be seen and was very kind in the division of his time.

His dedication to security has meant a strong America because he brought about the procurement of great planes and great strength, supported by the necessary equipment needed to keep the Air Force our first line of defense.

In addition, he has enjoyed a high degree of loyalty from those who serve under him because of his great leadership. All knew that he would be working as hard for the defense of our country as they would themselves.

The high morale which he leaves in the Air Force is a great tribute to his leadership. He deserves to be honored on the floor of the Senate by so many Senators. His leaving is a deep source of regret.

We wish for him the best of everything with relation to his future health and success in any endeavor in which he engages.

Mr. SYMINGTON. Mr. President, especially because of the senior Senator from Oklahoma's [Mr. MONROE] knowledge and responsibility in the field of aviation, I am sure that the Secretary will be very grateful for this splendid tribute to his leadership.

Mr. President, I yield to the able senior Senator from Wisconsin.

Mr. PROXMIER. Mr. President, I am delighted to have the opportunity to join other Senators in paying tribute to Gene Zuckert.

I am very sorry, as all Senators must be, that this extremely able and competent Secretary of the Air Force is retiring.

I believe it is most appropriate that the senior Senator from Missouri, who was the first Secretary of the Air Force and who was an outstanding and brilliant one, should be leading the tributes to Secretary Zuckert.

All Americans are aware of the remarkable job that Secretary McNamara has done in the Defense Department. Secretary of Defense McNamara, I am sure, would be among the first to say that the Defense Department is only as good as the members of the staff who have been chosen to head the various services.

Secretary McNamara has made a brilliant choice in selecting Gene Zuckert. I believe that all would have to agree that, if there were one thing which typifies the modern world, it is the necessity for the best of technological judgment in the serious and difficult decisions which must be made.

Mr. President, we are all very much aware at this time that the Air Force has become very strong. It is the greatest Air Force in the world. We know that, in a democracy, this is not an easy achievement. It requires not only technological judgment, but also cooperation with Congress, with the executive, and with the other branches of the Government.

Gene Zuckert has done superbly well in these respects.

Mr. SYMINGTON. Mr. President, I am sure that the Secretary will be grateful for the keen appreciation of his leadership expressed by the able senior Senator from Wisconsin, who is also an authority on airpower.

Mr. President, at this time I ask unanimous consent to have printed at this point in the RECORD a statement by the distinguished senior Senator from Idaho [Mr. CHURCH], who had to leave the city unexpectedly. The senior Senator from Idaho asked me to have his statement printed in the RECORD for him.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHURCH

American security owes much to the untiring efforts of Eugene Martin Zuckert in developing the U.S. Air Force into the world's most potent deterrent to aggression and sudden attack. Today, the U.S. Air Force proudly claims the title of America's first line of defense, and its hold on this title is the result of Secretary Zuckert's planning

and farsighted evaluation of American defense needs in the emerging nuclear age.

The judicious and deadly blend of men and missiles is well-known to us in Idaho, where bombers of the Strategic Air Command have stood guard at Mountain Home Air Force Base, side by side with squadrons of Titan missiles. As Secretary, Mr. Zuckert has always recognized that the greatest weapon in America's arsenal is the trained man. Our Air Force today owes its greatness to Secretary Zuckert's insistence that missiles and machines are the tools of the trained military man—not a substitute for him.

I join with my fellow Idahoans in heartfelt thanks to Secretary Zuckert for our present security and in wishing him well as he leaves Government service.

Mr. SYMINGTON. Mr. President, I yield now to the junior Senator from Alabama.

EUGENE M. ZUCKERT, AMERICA'S NO. 1 AIRMAN

Mr. SPARKMAN. Mr. President, my remarks about a sincere and dedicated friend are spoken with a mixture of gratification and regret; regret that Eugene M. Zuckert is leaving his post as Secretary of the Air Force, a job he has held since he was appointed by the late President, John F. Kennedy in late 1960; gratification that America has had the services of this fine and dedicated American for about 18 years of his professional life, the last 4½ of which has been as head of the Air Force. Too few persons outside of the Air Force and the Department of Defense realize the many and striking contributions this man has made to the finest Air Force in the world.

It is also gratifying to me that so many Members in both bodies of the Congress have arisen to praise this fine gentleman whom I am happy to call my friend. I have been associated with Secretary Zuckert for a number of years, and most especially during his years as Air Force Secretary. Early in our friendship I learned with pleasure of his strong feelings of friendship toward small business, and as chairman of the Select Committee on Small Business I value his views highly. When Eugene Zuckert speaks of business, he speaks with authority.

Eugene Zuckert is a man of numerous talents: lawyer, teacher, administrator, business consultant, public servant, all of which he has pursued with success and dedication. It is, however, his role as Secretary of the Air Force which I believe has earned him the gratitude of thousands of men and women who have served in the Air Force in the past 4½ years, and the hundreds who have worked closely with him in developing America's Air Force into the mightiest air arm in the world.

Without a doubt, Eugene M. Zuckert is America's No. 1 airman, and in a branch of the service filled with splendid men and women, that is no small accomplishment.

Today the U.S. Air Force is the most capable and potent in the world. No small measure of the Air Force's success in becoming the great bomber-missile force that it is, is due to Secretary Zuckert. During his years of tenure, the Air Force has balanced its mission areas, has become completely objective in its approach to defense concepts, has effectively balanced those elements who seek

no change in old concepts, as well as those who wish to change for little reason, and now has a balanced weapons system upon which so much of our national defense rests.

As a result of the untiring efforts of this dedicated Secretary, our Air Force is better equipped, better trained and educated, more flexible, and certainly more efficiently managed than ever before. One man, of course, could not do all of this, but his inspired leadership provided the wisdom and imagination so essential to the Air Force's growth and development.

In the past 4½ years our Air Force has achieved an effective warning system against any missile attack; it now has a SAC inventory of more than 850 operational ICBM's and about 900 operational bombers; it has a 200 percent increase in airlift capability; TAC is now a revitalized command and no longer the "little brother" of SAC; it now has its own counterinsurgency and special air warfare units; it is cooperating effectively with NASA in many of our country's space programs.

Because of Eugene Zuckert's wide background of interest and experience in management, changes and improvements have come about in many areas far more quickly than many could have hoped for. Secretary Zuckert's record is a proud one, reflecting credit on himself, his family, his associates, the men and women of the Air Force, and his country.

I wish him continued good fortune, and my personal thanks for a job so well done.

Mr. SYMINGTON. Mr. President, I know that the junior Senator from Alabama has expressed the sentiments of many people in his State who have worked in the great Air Force installations there.

Mr. President, I yield to the able and distinguished junior Senator from New York.

Mr. KENNEDY of New York. Mr. President, I think all of us who rise today to speak on the retirement of Eugene M. Zuckert as Secretary of the Air Force do so with a mixture of great regret and great pleasure.

Our regret comes from the fact that Gene Zuckert is one of the foremost public servants of our generation. Almost all of his adult life has been devoted to the service of the Government. And his record of accomplishments is surpassed by none. His record with the Air Force is unique. He was an Assistant Secretary for the first 5 years of the existence of the Air Force as an independent service. Working with, among others, the great former Secretary of the Air Force who now serves as the senior Senator from Missouri, Gene Zuckert was as responsible as any other man for the growth of that force as one of the great strengths of the free world.

In 1961, he returned to the Air Force as its Secretary. His contribution, not only to the Air Force but to all aspects of defense policy, was of major importance to the security and the future of the United States. Both President Kennedy and President Johnson found him a source of great strength and wise counsel.

It is for these reasons that we all regret his stepping down. But all those who have served with him will take great pleasure and pride in that association. He reminds us anew of how fortunate we are in the quality of our high public servants. I join the Senator from Missouri in hoping that Secretary Zuckert's absence from Government will be a short one.

Mr. SYMINGTON. Mr. President, I thank the junior Senator from New York. His perceptive tribute will be deeply appreciated by Secretary Zuckert.

Mr. President, I yield to the distinguished senior Senator from Rhode Island.

Mr. PASTORE. Mr. President, I am happy and proud today to join my fellow Senators in their accolade of tribute to a fine public servant.

I believe about the best compliment that can be paid to Secretary of the Air Force Zuckert is to recall to the Senate that within his short span of life, he has been called to public service upon two occasions. He has served as a leader in the fields of air power and atomic power.

The importance of the Air Force, and the great part it is playing in keeping together a troubled world, have been noted on the floor today. But I should like to point out that one of the greatest contributions made to the peace of the United States and to whatever tranquility we are able to experience today lies in the primacy that America has achieved in nuclear and thermonuclear weapons.

Eugene Zuckert was formerly a member of the Atomic Energy Commission. Today we are living in a world that is characterized as a balance of power and a balance of peril, and regrettably, we spend \$50 billion a year to make the things that we pray to God we shall never be called upon to use. But we realize that in order to keep the world together, military power is absolutely essential.

Eugene Zuckert has made an excellent contribution in both phases of his service to the Government. Gene Zuckert is responsible in no small measure for the military might and the posture of leadership that America occupies. That should satisfy any man, but I should like to echo what has already been said on the floor of the Senate, that all of us are hopeful that the day will soon come when Gene Zuckert will return to public service. I think he has earned his retirement. The time has now come when perhaps he would like to follow a slower pace on a more remunerative level. Once again, it is a sad commentary on the level of remuneration for Government service that most of the men who accept appointments to positions of leadership in the Government usually do so at a personal sacrifice. This is so, I am sure, of Eugene Zuckert. But his satisfaction springs from a splendid record of accomplishment.

Eugene Zuckert is a loyal American, a great patriot, and a fine public servant. I am very happy to join with my friends in saying to him, "A job well done."

Mr. SYMINGTON. In that the able senior Senator from Rhode Island is a former chairman of the Joint Atomic

Energy Committee, I know that Eugene Zuckert will be especially grateful for his kind remarks.

I now yield to the Senator from Vermont [Mr. PROUTY].

Mr. PROUTY. Mr. President, I wish to join my colleagues in extending to retiring Air Force Secretary Zuckert my best wishes.

In addition, Mr. President, the Secretary is more than entitled to our thanks.

There have been few people, I think, who have come to that high office so well equipped for it as Secretary Zuckert. Certainly, he "grew up" with the Department of the Air Force as few Secretaries have done.

The Secretary has also had as varied and successful a career as most other men in our national public life. He brought to the Department of Defense a distinguished career in the academic world, in the private practice of the law, and a wealth of public service. He was, it seems to me, eminently well qualified for the position of Secretary of the Air Force.

We shall have to look long and hard to find a replacement for him. I hope we will be as successful at that task as he has been in fulfilling the duties of that high office.

I thank the Senator for yielding.

Mr. SYMINGTON. I know Secretary Zuckert will appreciate the fine expression of thanks from the distinguished Senator from Vermont.

Mr. President, to the senior Senator from Indiana [Mr. HARTKE], I yield.

Mr. HARTKE. Mr. President, it is indeed a great pleasure to have the opportunity to praise the retiring Secretary of the Air Force, Eugene M. Zuckert for distinguished service to his country. Secretary Zuckert has served continuously as Secretary of the Air Force for more than 4½ years under Presidents John Kennedy and Lyndon Johnson. Indicative of his great contribution to our security are the tremendous changes he has engineered since he became Secretary in 1961. Airlift for conventional-tactical warfare has doubled, tactical forces have increased 40 percent, and SAC's global, manned aircraft capability remains as strong as ever while its missile force has grown from 6 missiles in 1961 to almost 1,000 today. More important, and more lasting, Secretary Zuckert molded an organization of professional, dedicated airmen capable of coping with any national emergency for which the American people can be truly thankful for years to come.

Mr. President, one point possibly many of us might overlook—and I think this is probably the most important of all—is that valuable contributions of people in Government service frequently would be denied were there not others who joined them to us. In this case, Secretary Zuckert was joined to the governmental service by one of the most distinguished Members of our U.S. Senate, the Senator from Missouri [Mr. SYMINGTON]. This body should not alone praise Secretary Zuckert for his wonderful governmental service in the tribute we are paying him today, but we should also pay tribute to the senior Senator from Mis-

souri for giving the American people the opportunity to make valuable use of a wonderful citizen.

Mr. SYMINGTON. I thank my able and distinguished friend from Indiana for his kind remarks, and I am sure the Secretary will be equally grateful for the superb tribute he has paid him today.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SYMINGTON. Mr. President, it is a privilege to yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Missouri for yielding.

Since the service of the original Secretary of the Air Force, my State has found no other Secretary to whom we owe so much, or of whom we are so fond, as the retiring Secretary, Mr. Zuckert.

I invite attention to the fact that in the troublesome days of the crisis in Cuba, Mr. Zuckert had real problems, and he solved them very brilliantly. I call attention likewise to the fact that he found room on the MacDill Air Force Base at Tampa to house and set up the joint effort of the Air Force and the Army in creating the strike command in such a manner as to place it near the center of any difficulties which then seemed likely to break out, and also in a spot where it could serve well in our worldwide operations of the Air Force and the Army.

In our State, we had no Army installations until the Cuban outbreak, at which time there were brought in some missile battalions. We have a sizable number of Air Force activities, which I think contribute in no small measure to the program of the Air Force generally, for various reasons, one of which is our climate, which is well adapted to the year-around operations of the Air Force.

Mr. Zuckert has been loyal in his support of Air Force efforts in our State and elsewhere. He is much loved in Florida. He will be missed, and I wish to add my voice to the fine voices of the Senator from Missouri and others who have, on this occasion, as Mr. Zuckert retires from his particular post of honor and of service, praised him for the fine quality of service he has rendered to our Nation.

I thank the Senator for yielding.

Mr. SYMINGTON. Mr. President, as the able Senator from Florida knows, the development of the great new installation of the missile age in his State, Cape Kennedy, has been under the supervision of Secretary Zuckert, and therefore I am sure he will be especially grateful for those kind remarks.

Mr. President, I yield to my able colleague from Missouri.

Mr. LONG of Missouri. Mr. President, I would like to commend my distinguished colleague from Missouri for his very fine tribute to our retiring Secretary of the Air Force. May I request the privilege of associating myself with Mr. SYMINGTON's remarks.

Certainly we would all agree that no asset is more valuable or vital to our Government than the citizen who combines the willingness to serve his country with the ability to serve it well.

This is the combination that has made Mr. Eugene Zuckert such a valued public servant. It is the combination that makes his retirement such a sad event for so many persons in Washington and throughout the Nation.

Eugene Zuckert's contribution to our national security over a period of two decades has been invaluable. He has dedicated his efforts to improving America's defenses with excellent effect, and in a number of posts.

Following graduation from Yale Law School in 1937, Mr. Zuckert's career began with service as an attorney with the U.S. Securities and Exchange Commission. In 1940, he taught at the Harvard Graduate School of Business Administration, leaving to enter military service in 1944. As a lieutenant (j.g.) in the Navy, Mr. Zuckert served in the Office of the Chief of Naval Operations.

In 1947, he was appointed Assistant Secretary of the newly organized Air Force, working under my distinguished colleague, the then first Secretary of the Air Force, STUART SYMINGTON.

Since that time his record as a member of the Atomic Energy Commission and as Secretary of the Air Force since 1961 has been widely and justly praised.

Under his able leadership the Air Force has made great strides in missile, aircraft, and space technology. Today, our air defense system is stronger than ever before. It provides a powerful shield for much of the free world, by keeping in constant readiness the latest and most effective weapons available.

On the occasion of his retirement Secretary Zuckert can reflect with just satisfaction on the key role he has played in this country's defense of freedom since World War II.

All Americans owe Mr. Zuckert a debt of gratitude for his service. I know that Missourians especially acknowledge that debt, and appreciate the attention he has always accorded the interests and problems of our State.

I feel sure that many of them would want to join with me now in wishing Mr. Zuckert all the best in whatever endeavors he may undertake after leaving his present post.

Mr. SYMINGTON. I thank my good friend from Missouri. We both know of the great appreciation in our State for the retiring Secretary.

Mr. President, I yield to the Senator from New Mexico.

Mr. MONTROYA. Mr. President, with the end of this month ends the Government career of one of this generation's outstanding public servants, Secretary of the Air Force Eugene M. Zuckert.

Mr. Zuckert will be sorely missed. He brought to the secretaryship a professionalism and a steadfast devotion to the goals of his service which will serve as a challenging standard to his successors for many years to come.

The Air Force today stands at the pinnacle of its power and as exhibit A of America's determination to maintain strong and effective forces to protect the peace.

Much of the credit for this position must go to Secretary Zuckert.

As he leaves the Government service, he can be assured that he carries the gratitude of a nation with him.

Mr. SYMINGTON. The remarks of the Senator from New Mexico are appreciated. Mr. President, I yield to the Senator from Nevada.

Mr. BIBLE. Mr. President, I must say quite bluntly that I am sorry Eugene Zuckert is leaving his post as Secretary of the Air Force. He is a top-notch man who has turned in a top-notch job. He will be missed at the Pentagon.

It follows, then, that I am more than happy to associate myself with the remarks given by the Senator from Missouri [Mr. SYMINGTON]. As one who has worked with Eugene Zuckert on an official level and known him on a personal level, I feel I am in a position to add my own words of praise.

The Nation is in debt to Mr. Zuckert for the leadership and courage he displayed during the critical development years of the Air Force. He had the facility to understand and deal with constant change. He had the ability to cope with new and unknown quantities. He had the stamina to work on the brink of crisis and to dwell in tension. He had the vision to know that the weapon or tactic that is new and radical today may be old and obsolete tomorrow. Yet he had the wisdom to recognize basic factors that do not change. He was able to keep the Air Force flying high without keeping its head in the clouds.

Those of us who say "thank you" to Eugene Zuckert are speaking, I am sure, for a grateful nation. I, too, hope that Eugene Zuckert's absence from Government will be brief.

Mr. SYMINGTON. These sincere words of praise for the vision and leadership of Eugene Zuckert are appreciated.

Mr. President, I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I would not want this occasion to pass without expressing my high regard for Eugene M. Zuckert.

As a member of the Appropriations Committee I have had a chance to keep in close touch with the Defense Establishment, and I believe the Air Force has made remarkable progress under the guidance of Secretary Zuckert. His departure is a distinct loss to that branch of the service.

When Mr. Zuckert was placed in charge of the Air Force in January 1961 he possessed special qualifications for the job because he had served previously as Assistant Secretary of War for Air.

When the Air Force was made a separate branch of the service he continued as Assistant Secretary for 4 years, from 1947 until January 1952, under the leadership of our distinguished colleague, Senator SYMINGTON, of Missouri, who was the first Air Force Secretary. Senator SYMINGTON, therefore, qualifies as an expert when he testifies to the capability of Eugene Zuckert.

Under Mr. Zuckert's direction since 1961 the Air Force has experienced an unparalleled transition. The strategic deterrent force has been converted from a force composed almost exclusively of

manned bombers to a balanced bomber-missile force, which can survive any attack with sufficient strength left to devastate the attacker.

At the same time Mr. Zuckert has directed the Air Force buildup of its tactical, airlift, and special warfare forces to counter any threat short of nuclear war, and to provide this country with a range of options to meet any contingencies.

During all of his years with the Air Force Mr. Zuckert also has been concerned with improving the professional competence of military personnel. He has stressed a higher level of educational achievement and technical training, which has resulted in upgrading the qualifications for career military service.

The professionalism of the uniformed Air Force today in carrying out its vital mission is, in large measure, a tribute to the wisdom and vision of Eugene Zuckert.

The Nation owes him a debt of gratitude for devoting so much of his talent and energy to the service of his country.

Although Mr. Zuckert is still a comparatively young man—he will not be 54 until November—he has had a varied career in Government service since completing his studies at Yale and Harvard.

He was an attorney for the Securities and Exchange Commission from 1937 to 1940, and was a member of the Atomic Energy Commission from 1952 to 1954. During World War II he saw service in the Navy.

I want to join his many friends in wishing the Secretary every success in the years ahead.

Mr. SYMINGTON. Our distinguished colleague measures well the service Eugene Zuckert has given the Nation and his comments will be appreciated.

Mr. President, I yield to the Senator from Florida.

Mr. SMATHERS. Mr. President, I desire to associate myself with the remarks of the very able and distinguished Senator from Missouri [Mr. SYMINGTON] in paying tribute to an outstanding public servant, Secretary of the Air Force Eugene M. Zuckert. Those of us who have been privileged to know Eugene M. Zuckert are aware that the Federal Government has long benefited from his wisdom and advice.

At the end of this month, Mr. Zuckert will step down as Secretary of the Air Force. He has held that post with distinction since January 24, 1961.

In a period of sweeping technological change, Gene Zuckert provided the Air Force with the leadership needed to maintain its vital role in our defense network.

Although his World War II experience was with the U.S. Navy, Gene Zuckert's association with the Air Force reaches back to 1946 when he was a special assistant to the Assistant Secretary of War for Air.

When the Air Force was made an independent service in 1947, my distinguished colleague, Senator SYMINGTON, was appointed Secretary of the Air Force and Gene Zuckert served as Assistant Secretary until 1952.

If I may say so, they were the "one-two" punch of the Air Force in that time.

Mr. Zuckert later served on the Atomic Energy Commission, before returning to the private practice of law.

Since 1961, he has been an effective and always well-liked Secretary of the Air Force. He has served his country well.

Mr. SYMINGTON. I thank the able Senator from Florida and know that the retiring Secretary will be most grateful.

Mr. President, I yield to the Senator from California.

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on the outstanding service of Eugene Zuckert, prepared for delivery by the Senator from Iowa [Mr. MILLER] who is necessarily absent today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MILLER

I wish to add my praise to that of many others for the outstanding service Eugene Zuckert has rendered during his long years of service to the Air Force, more recently as Secretary of the Air Force.

Because of his long record of experience, his enthusiasm, and his dedication, he has contributed greatly to the magnificent record which our U.S. Air Force has made and to the extremely high caliber of personnel who serve in the Air Force.

As he takes leave from his post of duty, he carries with him my wishes and the wishes of thousands of others for the best of success and happiness and our thanks for a job well done.

Mr. SYMINGTON. Mr. President, I yield to the Senator from Wyoming.

Mr. McGEE. Mr. President, I share with my colleagues a deep sense of loss at the resignation of Eugene M. Zuckert. His long term of service for the people of the United States has been capped by a tenure as Secretary of the Air Force marked by many, many achievements of the highest order.

During his service this arm of our National Defense Establishment underwent drastic revisions in technology and in the responsibilities assigned to it. Under Gene Zuckert's guidance these transitions were made smoothly and when completed resulted in a stronger, better prepared, and more efficient Air Force.

There are many who can and will testify to Gene Zuckert's abilities as a leader and administrator. I would like to mention briefly a quality that he possesses that has made a great impression upon many citizens of Wyoming. I refer to his willingness to listen to ideas and to consider the needs, both large and small, of a nation, a State, and an area.

A large section of my State was receiving considerable economic support from the construction and maintenance of an Atlas missile base near Cheyenne. When it became apparent the technological improvements would soon mean the phasing out of this installation, I went to Secretary Zuckert to suggest that the conditions which made that area suitable for the Atlas missile would also apply to its successor and that to replace those missiles with new ones would prevent a serious dislocation of the local economy. All of Wyoming was pleased and gratified to

see how favorably he reacted to this suggestion. The new Minuteman complex, centered at Francis E. Warren Air Base near Cheyenne—one of the largest and most efficient such installation in the free world—is a tribute to an Air Force that follows the receptive, constructive attitudes of its chief.

Another incident which I recall is indicative of the fact that Gene Zuckert was responsive to the smaller problems as well as those of large import. The town of Cheyenne has furnished drinking water through its municipal system to Warren Air Base for many years. It became apparent that, unless the rate the Government paid was adjusted to conform with modern costs of treating and distributing water, the city would have to bear an undue burden in water costs which would hamper its expansion and be unfavorably reflected in the average citizen's water bills.

A delegation from Cheyenne asked me to intercede with the Air Force and seek a new contract. I was extremely pleased to note that we received complete cooperation and that in short order a new contract was agreed upon without redtape, delay, or disharmony.

It is always a pleasure to find a public servant so willing and able to handle problems large and small at the top level. But I am convinced that an equal measure of Gene Zuckert's distinctive brand of service is his willingness to extend himself in the interests of friendship and good will. It is understandable that a public servant should be interested in seeing people who have problems that come under his purview. But Secretary Zuckert was interested in seeing people just because they were people and because he was interested in them.

As I have mentioned earlier, the State of Wyoming has done quite a bit of business with the Air Force and many of our citizens at one time or another have had business, some of it urgent, in Secretary Zuckert's office. When these same individuals come to Washington for other reasons, they still find, in the old pioneer phrase, that the latchstring is out at Gene Zuckert's office. This concern for people sets Gene Zuckert above a great many men who have held positions of great responsibility and is further reason why he shall be sorely missed in Washington. All of us who pride ourselves upon having the world's best air force are in his debt.

Mr. SYMINGTON. Mr. President, in the more than 20 years I have been in government service, I have never heard finer tributes paid to a departing servant. Eugene Zuckert leaves public office without an enemy, and with a host of well-wishing friends. He leaves with our respect, because of his spotless character. He leaves with our deep affection, because of his personality, his rare sense of humor, his tolerance, and his understanding of the problems of all of us in the legislative branch.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

HOUSE JOINT RESOLUTION 560 AND THE RIO TREATY

Mr. MORSE. Mr. President, yesterday afternoon I spoke on the floor of the Senate, expressing my disagreement with all the import and implication of House Joint Resolution 560, passed in the House by a vote of 312 to 52.

In my speech yesterday I said:

The plain implication of the resolution is that any party to the Rio Treaty is entitled to make its own determination as to whether even a threat of subversion in the territory of another party to the treaty requires or justifies unilateral military intervention by the first party.

This is a clear perversion of the Rio Treaty, which is based on the principle of collective security instead of individual action.

The reaction in Latin America has been predictable. From left to right across the political spectrum, Latin Americans have united in denouncing the reactionary and illegal doctrine thus set forth.

The Congresses of Peru and Colombia have unanimously passed resolutions to this effect. In the case of Colombia, at least, this marked the first time in years, so far as I am aware, that the Colombian Congress has been unanimous on anything. I ask unanimous consent that there be included, at the conclusion of my remarks, sundry newspaper articles on this subject.

I also said in the speech:

The fact that the Department of State declined to express opposition to the resolution when its views were requested by House Members brings into serious doubt the allegation that the resolution does not reflect administration policy. It brings into serious doubt the support of the administration for the purposes and objectives of the Alliance for Progress itself, for those purposes and objectives are the displacement of the oligarchs that have kept the people of Latin America serfs to the soil and furnished the seedbed not of freedom but of communism in the hemisphere.

Mr. President, my subcommittee is going to find out where the State Department stands. I serve notice on the State Department this afternoon that I am calling for an early meeting of my subcommittee. The Secretary of State may decide whom he wishes to send to that subcommittee meeting, for he is going to send someone. That subcommittee is going to find out from the Secretary of State, through his spokesman—or through the Secretary himself, perhaps—just where they stand on this House resolution. Are they for it, or are they against it?

Are they for modification of it, or do they wish the House resolution to stand, as notice to Latin America that the United States is walking out on the Rio Treaty?

The State Department cannot support that resolution and support the Rio Treaty, let me say to the Secretary of State. Therefore, I wish to know whom the Secretary of State is going to send.

Mr. President, I digress to say that that meeting of the subcommittee will be held tomorrow afternoon.

Further in the speech, I stated:

Mr. President, this resolution is going to do irreparable harm throughout Latin America unless the Johnson administration repudiates it forthwith.

Mr. President, in an endeavor to be of assistance to my administration, to clear the RECORD and notify Latin America where we actually stand in regard to the Rio Treaty, and in regard

to the Organization of American States Charter, I, along with other Senators, now send to the desk for appropriate reference a resolution expressing the sense of the Senate with respect to the Inter-American policies of the United States.

Mr. President, I send the resolution to the desk on behalf of myself, the Senator from Pennsylvania [Mr. CLARK], and the Senator from Ohio [Mr. YOUNG], and ask that it remain at the desk until 5:30 p.m. today for any other Senators who may wish to cosponsor it.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested by the Senator from Oregon.

The resolution (S. Res. 150) was referred to the Committee on Foreign Relations.

Mr. MORSE. Mr. President, I serve notice on the State Department that it is expected to be prepared to testify on this resolution before my subcommittee tomorrow afternoon. I also serve notice on the State Department that I wish to know whether it endorses the resolution. If the Department of State does not endorse it, I expect them tomorrow afternoon, in testimony, to set forth clearly whatever qualifications it wishes to make in respect to the resolution.

Mr. President, several days ago the Senator from New York [Mr. JAVITS] submitted another resolution, which, in my judgment, has the same objective. Those of us submitting the resolution today prefer our resolution. We believe that it leaves no room for doubt as to the clear-cut issue which we raise in the resolution. However, I commend the Senator from New York [Mr. JAVITS] for speaking out in opposition to the action taken by the House of Representatives. As I made perfectly clear yesterday, as chairman of the Subcommittee on Latin American Affairs, I share his views in opposition to the House resolution.

The resolution I am submitting today is a simple restatement of historic American policy, vis-a-vis Latin America. For a variety of reasons, such a restatement is badly needed at this time, to remove a great deal of confusion which has regrettably arisen in the minds of the people of the United States and of Latin America as to what those policies are.

The resolution is solidly based on the special role given the Senate in foreign policy by the Constitution which provides in article II, section 2 that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." This tenet of constitutionalism is taught in every high school civics class, but sometimes people long out of high school need to be reminded of it even though they may be Members of the House of Representatives.

The resolution specifically recalls two treaties which the Senate and the President approved, in solemn exercise of their joint constitutional responsibilities—the Rio Treaty, formally styled the

Inter-American Treaty of Reciprocal Assistance, and the Charter of the Organization of American States. These treaties are the bedrocks of U.S. policies toward Latin America and indeed of the whole inter-American system. They contain many important provisions, but for my present purposes I confine myself to citing only four articles.

Article 6 of the Rio Treaty provides:

If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack or by an extracontinental or intracontinental conflict, or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the continent.

Mr. President, the signatories to that treaty—and the United States was one—pledged themselves to forgo unilateral military action based upon their judgment and agreed to proceed immediately under the terms of the Rio Treaty. The words cannot be erased. The words cannot be interpreted on any other basis of meaning.

Articles 15, 17, and 19 of the OAS Charter provide:

Article 15. No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the state or against its political, economic, and cultural elements.

Article 17. The territory of a state is inviolable: it may not be the object, even temporarily, of military occupation or of other measures of force taken by another state, directly or indirectly, on any grounds whatever. No territorial acquisitions or special advantages obtained either by force or by other means of coercion shall be recognized.

I am talking about international law, Mr. President. These are treaty obligations the United States entered into. These international law tenets are binding upon the United States and every other signatory to the OAS Charter—unless we have reached the time when the United States is going to evade and violate its international obligations. We have done that many times in the recent past, I am sorry to say. But the senior Senator from Oregon is pleading once again on the floor of the Senate this afternoon for his country to come back into the framework of international law and start living up to its international law obligations and treaty commitments, and, through the resolution I am offering, to repledge itself to the Rio Treaty and the OAS Charter.

Let me say most respectfully that, in my judgment we must do that before the RIO Conference next month, because if we do not, we shall go into that conference and be subjected to an attack unequaled, in my opinion, in Latin American conferences. In Latin America, at the very hour I speak, there is growing

concern about one simple question: Is the United States really committed to the Rio Treaty and the Charter of the OAS?

Mr. MORTON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MORTON. The Senator from Oregon referred to the Rio Treaty, which was confirmed by this body. Does the Senator recall the vote?

Mr. MORSE. I do not recall the vote from memory.

Mr. MORTON. Was it unanimous?

Mr. MORSE. I know it was a large vote. I cannot say it was unanimous. I do not have in mind the vote.

Mr. MORTON. My memory is that it was a unanimous vote.

In support of what the distinguished Senator from Oregon is mentioning, I believe that these are very important points, and I consider it proper that he should bring them up. I may recall to the memory of the Senator from Oregon that in New Delhi in 1957 he made a speech before the Commonwealth Parliamentary Union, in which he discussed the question of law. I wonder if a copy of that speech is available, and if it could not be made a part of the Senator's remarks today, because it was one of the most stimulating and interesting talks on this subject that I ever heard.

Mr. MORSE. The Senator is very kind. I shall have a copy of the speech dug out of the files and ask to have it printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The speech is as follows:

PROMOTING WORLD PEACE THROUGH THE RULE OF LAW AND THROUGH ECONOMIC AID
(Speech by Senator WAYNE LYMAN MORSE, New Delhi, India, Dec. 9, 1957)

The CHAIRMAN OF THE COUNCIL. May I request Senator WAYNE LYMAN MORSE, American member of the Foreign Relations Committee of the United States and chairman of the American delegation, to kindly participate in this debate?

Senator WAYNE LYMAN MORSE (United States of America). Mr. Chairman, delegates, and guests: On behalf of the American delegation, I wish to say that it is a great privilege for us to be here as guests of the Commonwealth Parliamentary Conference. I speak with great humility in the presence of the international leaders of world renown who have preceded me in this discussion today.

At the outset, Mr. Chairman, I want to make it very clear that I do not speak for my Government, nor, for that matter, for my party. I have belonged to three political parties in the United States—Republican, Independent, and Democratic. I think I know something about the strengths and weaknesses of each. As I say back home in the States my political course of action qualifies me to speak nonpartisanly on the major issues such as the one we have under discussion today at this conference, namely, foreign policy, and national defense.

Therefore, although I do not speak for my Government or for my party, I do speak nonpartisanly and for myself. Let me assure this conference that my views are not singular in America but are shared by increasing numbers of the American people. A political party line on foreign policy is exerting less and less influence on American public opinion because more and more of our people are thinking independently of partisan considerations in respect to foreign

policy issues. In my country the Government does not rise or fall on congressional support of some announced administration position on a given issue such as foreign policy, taxes, general welfare legislation, or civil rights. Elected representatives of our people are expected to exercise an honest difference of opinion within their own party as well as with members of another party whenever their independence of judgment tells them that the public interest so dictates.

May I say facetiously that in the United States Senate we are not chained to unsound policies, as is the case of some parliaments, by the shackles of party regularity. [Laughter and applause.] In the Senate of the United States we are free to exercise an honest independence of judgment on the merits of issues in accordance with the facts as we find them. I recommend this bit of Edmund Burke political philosophy on the moral obligation of an elected representative of a free people to follow his conscience as dictated by the facts on a given issue rather than to follow a wrong policy simply because it is dictated by political party leaders. [Applause.]

Don't retort to this principle of representation with the partisan bromide that party responsibility will be destroyed if party conformity is not required at all times of each party member of a parliament. It is so much nonsense. Party responsibility dictated by the public interest will truly exist in the parliaments of the world when party leaders know that unless their stand on a given issue can be supported by the facts on their merits the votes will not be present to back them up when the roll is called on the issue. [Applause.] The application in the Congress of the United States of this principle of representation based upon exercising an honest independence of judgment on the merits of issues as tested by the general welfare of our people makes it possible for us to have a change of governmental policy on a given issue during the term of national administration without the administration itself going out of office at that time.

I know it is difficult for some of you, particularly my respected British friends, to appreciate the American view that an elected representative in a parliamentary body owes a primary obligation to stand and vote for what his conscience tells him is in the public interest irrespective of party dictates or policy. Nevertheless, I submit that the application of this principle in the Congress of the United States is the key to our great legislative flexibility. It makes it possible for us to make a quick major national legislative adjustment to any emergency situation without suffering the delays caused by a parliamentary crisis when a government falls. We accomplish this legislative flexibility in our Congress by the formation of political coalitions between groups of both major parties.

Thus in respect to foreign policy issues I find that some of my friends from other delegations at this conference are at a loss to understand why American foreign policy changes from time to time as the result of congressional action at variance with announced Presidential policies. I am glad this question has been raised with me because it affords me an opportunity to mention briefly our system of parliamentary checks and balances.

The practice in the Congress of the United States to form political coalitions between groups in both major parties is one of our most effective checks upon the exercise of unwise Executive power in the United States. Let us apply the practice to foreign policy for a moment. Great misunderstanding seems to exist among many in other countries that in the United States foreign policy is owned by the President of the United

States and by the Secretary of State. Such is not so either as a matter of constitutional law or as a matter of long established practice and custom in our country. The constitutional prerogatives vested in the President of the United States in respect to foreign policy do not in any sense make him the dictator of American foreign policy. No President of the United States or no Secretary of State can commit our Government to any foreign policy program free from constitutional checks by the Congress of the United States or free from the ballot box check of the American people.

In the last analysis American foreign policy is the property of the American people and all the President and Secretary of State are in respect to it administrators of the people's foreign policy. Granted that there are wide differences between constitutional theory and practice in this matter, nevertheless, any President who lost sight of his role in American foreign policy under our constitutional system of congressional checks would find himself in serious parliamentary difficulty.

Among our most important congressional checks upon the exercise of Presidential powers in determining American foreign policy is the work and jurisdiction of the foreign policy committees of both the House of Representatives and the Senate of the United States. It is necessary under our constitutional processes for these two foreign policy committees of the Congress to implement any major foreign policy proposed by the President of the United States. These committees hold both public and executive committee hearings on foreign policy proposals of any administration and through these hearings public opinion is brought to bear upon Presidential recommendations. It is necessary for these committees to recommend authorization legislation for passage by the Congress in respect to foreign policy proposals. For example, during this past year extended hearings were held by both the House and Senate Foreign Relations Committees on the entire mutual security program recommended by the Eisenhower administration. You will recall that the final authorization legislation, both as it was recommended by the committees and as it was amended by the Congress, contained substantial modifications of the original recommendations of the President of the United States.

This system of foreign policy committee checks upon the foreign-policy proposals of any administration must be understood by leaders of foreign governments if they are to have a clear understanding as to why a President of the United States cannot enter into irrevocable commitments in diplomatic negotiations with foreign powers over foreign-policy matters. Another example of the operation of this congressional check on Presidential foreign-policy powers in the United States was illustrated last year when the historic debate was held, particularly in the Senate of the United States, over the so-called Eisenhower Middle East Doctrine. As a result of that debate and the strong opposition to the doctrine that was presented by those Senators who considered the proposal to be an unfortunate one as far as promoting stability in the Middle East is concerned, the administration found it advisable, through its spokesmen appearing before the Senate Foreign Relations Committee, to issue a series of clarifying statements concerning the doctrine. Thus, by the checking power of committee action, Presidential authority over American foreign policy must be conducted in a limited framework of Executive administrative power.

There are two other committees of the Congress that exercise substantial checking authority over Presidential power in the field of American foreign policy. I refer to the Appropriation Committees of the House and

the Senate. After congressional legislation is passed authorizing a foreign-policy program, it is necessary for the Appropriation Committees to pass upon and recommend the amount of money that the Congress should appropriate for implementing the program. Thus, it is a common saying in the United States that in the last analysis the control of the purse strings of the Government by Congress is its most effective constitutional check upon the executive branch of the Government.

These aforementioned checking powers of the committees of Congress give assurances to the American people that through committee hearings, inquiries, investigations, and recommendations to the Congress, the will of American public opinion will be brought to bear as an effective check upon any foreign-policy course of action by any President which does not have the predominant support of the majority of the American people.

It would be a mistake for anyone who is not familiar with the practical workings of our system of constitutional checks and balances to assume that our governmental system of division of authority leads to national disunity and lack of direction in American foreign policy. It is true that in our body politic we have marked differences over the formation of specific foreign-policy programs. It is true that there are strong differences in our country at the present time in regard to the emphasis that should be placed on military aid to underdeveloped countries in contrast with economic aid. There likewise are similar differences over the issue as to whether or not we should reverse the ratio now existing of about 85 percent of our mutual-security appropriations going to foreign countries in the form of grants and gratuities rather than loans.

There are many in our country, and I share that point of view, who believe that the underdeveloped countries of the world would be strengthened more, and freedom along with it, if we sent them bread rather than guns. [Applause.] By this I mean that part of the debate going on within American public opinion these days is over some of the same questions which I understand have already been raised in this conference during the previous days of discussion of economic problems. I happen to hold to the point of view that the fight for freedom in the next half century will be won on the economic fronts of the world, not on the battlefronts of the world.

There is also a considerable body of opinion in our country which points up another difference in American public opinion over foreign policy. I refer to those in my country among journalists, authors, academic leaders, and elected officials who urge that American foreign policy, through its mutual security program, should give more assistance and support to free governments in the world and less support to totalitarian or quasi-totalitarian regimes. These critics of American foreign policy within my country are greatly concerned about what appears to be the growing attitude on the part of leaders and their people in the underdeveloped countries of Asia and Africa to the effect that too much emphasis is being placed by the United States on military resistance in the cold war against communism.

Those who hold this point of view, and I am one of them, would have our country recognize before it is too late that the best way to strengthen freedom in the world is to help people raise their economic standards of living. Military regimes are never conducive to the strengthening of freedom, but, to the contrary, usually run the course of impairing civil liberties and denying to their citizens both economic freedom of choice and political freedom of choice for the individual.

Thus, there is a growing opinion in the United States that we can best demonstrate the superiority of our precious system of political and economic freedom for the individual by exporting, to the underdeveloped areas of the world that are willing to stand with us in support of protecting the dignity and civil rights of the individual, the benefits of our economic assistance. To accomplish this end, we recommend giving support of longtime loans to economic development plans such as India's second 5-year-plan when it can be demonstrated that such loans would be sound; would, in fact, produce specific economic productive projects that would help raise the standard of living of the people who live in the economic shadows of such projects.

However, I wish to make very clear that, although I have mentioned certain differences of opinion that exist in my country over the objectives and implementation of American foreign policy, it would be a very serious mistake for leaders in other countries, including any potential enemies to assume that we are a disunited people in respect to our relations with the rest of the world. Any differences that may arise from time to time in the American Congress over foreign policy are usually hammered out on the anvil of public discussion and debate into a united pattern best suited to our national interest. We are a peace-loving Nation, and whatever differences may appear to exist among us from time to time over foreign policy, I can assure this conference, are differences that spring from a common and united motivation on the part of American leaders; namely, the motivation of seeking the best and most effective ways of promoting world peace. [Applause.]

Therefore, it would be a grievous mistake for any potential aggressor of world peace to ever assume that the people of the United States would not stand united in opposition to any major power or combination of powers that might decide to catapult the world into another global war. The United States can be counted upon to maintain a strong national defense and to assist in supporting strong national defenses for allies who decide to join with us in a mutual security program.

However, I would emphasize in my talk today, that it is very important that the free nations of the world should not make the mistake of overemphasizing military defense as the way to peace. Adequate military defense on the part of the free nations of the world is necessary for national survival and self-preservation. It is an understandable, instinctive response to threatened danger.

Nevertheless, strong national armaments in and of themselves give no lasting assurance of permanent peace. To the contrary, as history has proven time and time again, uncontrolled armament races are most certain to end in war. Therefore, the subject which this conference is discussing today, namely, foreign policy and national defense, calls for the most delicate balancing of international relations and objectives among all the nations of the world.

World events of the past half century have taught on several occasions the age-old lesson that unilateral disarmament does not cause nations inclined toward aggression to maintain the peace. The same period of time has also revealed the lesson that threatening to meet force with force does not cause nations to beat their swords into plowshares.

My Nation stands for strong defense. We believe that political and economic freedom are essential to the protection of the dignity of the individual and guaranteeing of the inalienable right of men and women to lives of human decency. [Applause.] We believe that freedom is not a politician's cliché unless we make it so. Freedom is a way of life and it is worth defending. Therefore, we in the United States do not accept the view that

maintaining strong defenses increases the chance of war any more than maintaining strong jails increases the chance of murder and burglary. However, Mr. Chairman, I would be the first to admit that the misuse of strong defenses can cause wars, just as the misuse of jails can imprison the innocent. It is my view that there is a great need for the leaders of the free nations of the world to give greater consideration to nonmilitary procedure for advancing the cause of peace. Military defense must stand guard against aggression. But other procedures must be used to remove the causes of international tensions and to settle international disputes as they arise.

Therefore, I wish to devote a little time in this speech to the topic of promoting world peace through the rule of law. I was very pleased to hear the Right Honorable Hugh Gaitskell in his address this morning make brief reference to the juridical and conciliation provisions of the United Nations Charter. I wish to recommend to the free nations represented in this conference that much greater use should be made of the World Court and other juridical procedures set forth in the United Nations Charter for the settlement of international disputes.

Let me make clear at the outset of this discussion that I do not happen to be a so-called one-cause person. I recognize that international effects such as war have many causes. If we are to prevent war, we must seek and apply various procedures that will help reduce world tensions. I do respectfully suggest that, very frequently in parliamentary conferences such as this one, there is the temptation for delegates to devote their discussions to broad policies rather than to specific proposals related to the lessening of international tensions. Therefore, I am honored to call the attention of this conference to a specific proposal, a specific ideal, a specific practicality, which a great leader in the United States Senate, now dead, Senator Arthur H. Vandenberg, emphasized many times in his historic speeches on foreign policy.

In my opinion, Senator Vandenberg did more to influence American foreign policy than any Senator has done in the United States Senate during the last quarter of a century. I happened to be a disciple of Arthur Vandenberg after he changed from an isolationist into a great internationalist. I recommend to the consideration of this conference one of the cardinal principles of Senator Arthur Vandenberg's foreign-policy philosophy. Time and time again he emphasized that there will never be a world order of permanent peace until there is established a system of international justice through law.

In 1945, when I first went to the Senate of the United States, Arthur Vandenberg encouraged me to press for Senate action on a resolution I sponsored which committed my country to the compulsory jurisdiction of the World Court in any dispute where the opposing nation was willing to accept the jurisdiction of the Court. It seemed to me that the World Court section of the United Nations Charter adopted at San Francisco was a very weak instrumentality for the settlement of international disputes by juridical processes if its jurisdiction was to rest entirely upon the voluntary actions of individual nations. Therefore, it seemed important to me that the United States should lead the way in setting an example by pledging itself in advance to submit all international disputes to the World Court for determination.

Therefore, with the assistance of such great organizations in my country as the American Bar Association and various Protestant and Catholic Church councils, the American Academy of Political Science, and many other organizations dedicated to the cause of peace, I introduced in the Senate

of the United States the World Court compulsory jurisdiction resolution of 1945. With Senator Vandenberg's great help, the resolution passed the Senate of the United States by a vote of 60 to 2. The resolution embodies great ideals which, if ever put into practice by the nations of the world, would not only help reduce world tensions but would settle most international disputes by the application of the rule of law. As Senator Vandenberg used to point out, there is no substitute for the application of the rule of reason for the settlement of misunderstandings between men and between nations.

Unfortunately, today, the procedures of the judicial process provided for in the United Nations Charter have been little used by the democracies of the world. Time after time in recent years I have proposed to my Government, under both Democratic and Republican administrations, that we should seek to bring some of the issues that have been threatening peace before the World Court for judicial determination in accordance with the tenets of justice as laid down in international law. The negative reply to such suggestions on my part has usually been threefold.

First, it is said that Russia would never agree to accept the jurisdiction of the World Court in any of the disputes that have arisen between the United States and Russia. However, I have never been impressed by the rationalization that we should not offer to submit a dispute to the World Court because we suspect that Russia "would not go along with such a proposal." As I have said when such an excuse has been offered by my Government for not appealing to the World Court, "I also do not think that Russia would agree to submit her case to the World Court, but let us give her a chance to refuse. Let us thereby demonstrate to the world just what nation it is that is seeking to block the peaceful settlement of international disputes through the application of the judicial processes provided for in the United Nations Charter."

It has always seemed to me that the democracies have missed one opportunity after another to demonstrate their dedication to the cause of world peace by failing to invite Russia to adjudicate before the World Court many of the international issues which have arisen between the Soviet Union and the democracies of the world.

In the second place, the excuse has been given that the existing body of international law is not broad enough to encompass for juridical determination many of the issues that threaten the peace of the world. I think that is undoubtedly true. But this very objection really confesses the need for the implementation of the World Court section of the United Nations Charter. It has been my suggestion, and I recommend it to this parliamentary conference, that through the United Nations Organization negotiations should be carried on for an extension and broadening of the jurisdiction of the World Court, as well as for the extension and expansion of substantive international law principles as well as broadening of procedures for the operation of the World Court.

I am convinced that great strides toward world peace could be taken if the nations of the world would seek to negotiate an expanded code of procedure for the adjudication of World Court cases. Likewise, there is a great need for the adoption of a new codification of international law statutes and legal principles which would broaden the judicial authority of the World Court.

In the third place it is said, by those who hesitate to agree to submit international disputes that threaten peace to international judicial processes for settlement, that such procedure might very well threaten national sovereignty. In my opinion this is a scarecrow argument. We must not let the semantics of national sovereignty chill the

hopes of peace. The concept of national sovereignty should not be used as a dead hand of international law. We must recognize that national sovereignty should not be considered as a static concept. Only as a dynamic living concept can the doctrine of national sovereignty serve the people of each nation as a legal instrument for meeting the needs of the changing world.

Whenever a dispute arises directly affecting the interests of two nations so as to threaten their peaceful relationships, then other nations should have the right to determine whether or not a question of national sovereignty rightly is basic to the dispute. In a very real sense no nation has the moral right, nor should it be allowed to claim a legal right, to follow a course of action that creates peace-disturbing disputes and then hide behind a defense that the issues of the dispute involve its untouchable rights of national sovereignty.

It is respectfully suggested that there is much need for a reevaluation in the field of international law of the doctrine of national sovereignty. This evaluation should be approached from the simple premise that any static doctrine of national sovereignty which threatens peace must be subject to revision in the interest of peace. Let me make clear that I do not propose that we throw overboard, so to speak, the existing substantial body of international law that has been developed over the decades under the doctrine of national sovereignty. But I do point out that if we are to implement Senator Vandenberg's ideal of a system of international justice through law we must see to it that international law becomes a body of living law capable of doing justice in the cause of peace. Granted that there are many changes that need to be negotiated among nations in the field of international law, both as to procedural and substantive matters, if the rule of law is to become effective in promoting peace, the fact is inescapable that unless such an ideal is put into practical implementation, the United Nations cannot possibly function effectively for settling international disputes.

In passing, there are other cautions I would mention that democracies should heed if the application of the rule of law is to become effective in settling international disputes. Democracies which are disputants in a given case should not set themselves up as judges of whether a case should go before the World Court for determination. Neither should they function as a jury on the merits of their own case and thereafter turn a deaf ear to other nations in the world who are disturbed by their national course of action.

Let me apply this caution to my own country for a moment and then respectfully apply it to 2 or 3 other existing disputes involving some of the other countries represented at this conference. Let's consider for a moment the delicate international issue that involves the question of Formosa's sovereignty.

The issue of American foreign policy in regard to Formosa is one of the so-called hot political issues in my country. However, there is no question about the fact that, as a matter of international law, my country does not have any sovereign rights to Formosa. The United States does have a great moral obligation to see to it that a blood bath does not occur on Formosa as a result of an aggressive attack on Formosa by Communist China. This moral obligation grows out of the caretaker duties which the United States assumed over Formosa as a result of American operations during World War II in the Pacific theater.

However, it is generally recognized that the question as to what nation has rights of sovereignty over Formosa is a question to be determined in accordance with existing international law. It is not a question that can be determined legally by a unilateral proclamation issued by Red China, or the Na-

tionalist Chinese Government under Chiang Kai-shek, or by the United States, or any other power. At the present time the sovereignty of Formosa can be described as being in abeyance or suspension. I submit that there is only one forum in which the question of Formosa's sovereignty can be determined justly and in the interest of world peace, and that is in the World Court. It is very much to be hoped that at the earliest feasible time my Government will seek United Nations support for the submission of the question of Formosa's sovereignty to the World Court for determination.

At the time of the historic debate in the U.S. Senate over the Eisenhower Formosan Doctrine in 1955, some of us then urged that the United States call upon the United Nations to exercise a mandate or trusteeship over the Formosa Straits, and submit the issue of Formosa's sovereignty to the judicial process of the United Nations Charter. Unfortunately, from the standpoint of western tensions in Asia the majority view taken by Congress at that time was to back up the Eisenhower administration's position that the time was not ripe for the settlement of the Formosan issue through United Nations procedures. I asked the question then and repeat the question now, "When will the time be ripe for such a course of action?"

I make a plea to the members of this conference that the democracies of the world should unite and solidify behind a judicial approach to the settlement of a great many disputes that are threatening the peace of the world. ["Hear." "Hear."] I know of no better approach than the application of the rules of reason in the judicial atmosphere of an international court. In such an atmosphere of judicial impartiality calm judgment can be rendered on the basis of the evidence presented. National legal rights, in accordance with generally accepted principles of international law can be applied to the facts of the case as established in the courtroom. In the interest of world peace all nations, large and small, should respect the application of the rule of law to every international dispute that is susceptible of legal determination. Neither my country nor yours in this day of potential nuclear warfare can justify refusing to submit any international controversy between nations to adjudication. ["Hear." "Hear."]

I have mentioned a failure to date on the part of my Government to press for United Nations judicial determination of the Formosan issue. I hope you will not think me disrespectful when I point out that there are other peace-threatening issues involving other nations which have been equally hesitant about acceding to the application of the judicial processes of the United Nations for a binding determination of the dispute. I mention Kashmir as a good example of an issue that is susceptible of an international law determination. Granted that this is another one of the so-called hot issues that is charged with strong national feelings and patterns of deep prejudices, nevertheless, there is no escaping the fact that it has become a tinderbox that might ignite a major war. It is a good illustration of the great need for reappraising in light of changing world conditions some of the heretofore accepted fixed notions in respect to national sovereignty. There will be little comfort to be found in the hot ashes of a nuclear-exploded world by those who cling in our time to a static concept of national sovereignty.

There are other pending disputes which threaten world peace and whose international tensions could be relaxed by a resort to judicial processes for their determination. The Middle East is full of such issues. Basically what is involved in the Suez Canal crisis other than a judicial determination of the respective legal rights of the contending nations? Long before England, France, and

Israel resorted to action by force over the Suez Canal issue, I urged in the Senate of the United States that all governments not parties to the dispute should urge the disputants to submit their respective claims to the judicial processes of the United Nations. It was my plea that the United States should take the lead in a plea for the application of the rule of law to the Suez Canal issue. We failed to do it, and this lost opportunity brought the whole world closer to the brink of a major war than we can ever afford to risk.

Then what about many phases of the Arab-Israeli disputes? Looked at from the standpoint of historic perspective, and in the interest of reducing the dangers of war, what is there so difficult about the Arab refugee problem, the settlement of conflicting claims to water rights, boundary disputes, and alleged conflicting national interests in the Straits of Aqaba that cannot be determined justly by the application of the rule of law applied by an impartial United Nations judicial tribunal? Let us not forget that the United Nations Charter provided not only for the strictly judicial processes of the World Court in which disputes can be determined in accordance with international law as it exists at a given time; but it also provides for corollary juridical processes of arbitration, mediation, and conciliation. In these last-mentioned quasi-judicial forums there is ample latitude for nations acting in good faith to negotiate with each other under the impartial guidance of a United Nations tribunal or agency, a fair and just compromise of their differences.

I respectfully submit that without further delay, all peace-loving nations should seek to further a climate of international relations whereby they join forces in strengthening the juridical processes of the United Nations for the peaceful settlement of international disputes. ["Hear." "Hear."] Now is the time to make this approach of applying the rule of law to peace-threatening differences between nations if we are to keep faith with the spirit and idealism enunciated by Vandenberg in his many references to the need of a system of international justice through law. ["Hear." "Hear."]

I recognize, Mr. Chairman, that the deal for which I am pleading today involves many procedural problems which must be resolved if nations are to accept it as a practical approach to the settlement of specific disputes. It will be pointed out by some that the jurisdiction of the World Court is not broad enough at the present time to encompass all disputes that threaten world peace. I believe this to be an objection of form rather than of substance because if the nations of the world wish to act in avoiding war by settling their disputes through judicial processes they are free through the United Nations, to broaden the jurisdiction of the juridical sections of the charter.

I have already mentioned the claim of some that the international judicial ideal of Vandenberg and others who have shared his point of view would threaten to narrow the rights of national sovereignty. However, I do not contend for a moment that the World Court should exercise jurisdiction over what reasonable men agree are purely domestic issues. At the same time, the concept, "national sovereignty," must not be allowed to become an emotional sanction that prevents a judicial determination by an international court of a dispute that is, in fact, threatening peaceful relations between two or more nations. A doctrine of national sovereignty based upon the theory that each nation should be its own final judge as to what is or is not a domestic issue is an outmoded doctrine in the modern world. The retention of such a narrow view of the rights of sovereignty may very well, under some circumstances, cost a nation its very survival.

That is too dear a price to pay for an isolationist concept of national sovereignty.

Another procedural problem that is raised by those who question the practicality of implementing the ideal of a system of international justice through law is that there can be no assurance of the competency of the judges who render the decisions.

These critics say, further, that there is no existing procedure for preventing a biased judge or a judge from a nation which is a party in interest from sitting in judgment on a case. These criticisms also strike me as being objections of form rather than of substance. Obviously, whatever procedural reforms are necessary to guarantee the competency or impartiality of the personnel of the tribunals which are to administer international justice can be adopted by amendments to existing rules and procedures. By way of analogy, I would point out that, in many State courts in the United States, judges who are believed by litigants to be prejudiced against them can be removed from sitting on a given case by the filing of an affidavit of prejudice. In some jurisdictions these affidavits of prejudice can be filed on a peremptory basis and in other jurisdictions the judge can be removed "for cause," duly shown.

Surely, it would not be a difficult matter to obtain United Nations adoption of a procedural right to file an affidavit of prejudice either peremptorily or "for cause" against any judge who a litigant in good faith believes to be biased and prejudiced in respect to the case. But I want to say that I have noted, as a lawyer, that, usually, when a man dons the judicial robes, and assumes the almost sacred trust of doing justice, he usually rises to the obligations of that role. ["Hear." "Hear."] I have also noticed that, in many instances, when a litigant complains about the fairness of the court, he speaks from a case lacking in merit. ["Hear." "Hear."]

In a similar vein, I would reply to the other reservations which are raised by those who seem to think that now is not the time for the democracies of the world to join together in a united program for greater use of the judicial processes of the United Nations in the settlement of peace-threatening disputes. I respectfully submit that this conference could make a specific contribution to a program for lessening world tension if it would urge upon all nations of the world a greater use of the World Court and the other judicial procedures provided for in the United Nations Charter. ["Hear." "Hear."]

The second major principle of foreign policy enunciated and advocated by Senator Vandenberg dealt with his views on foreign economic policy. He recognized that political freedom of choice for the individual will not exist in any country for long unless the citizens of that country also have economic freedom of choice. I do not ask for agreement on this or any other point I raise in this speech. I never ask for agreement. It is not important that you agree with me, but it is important that people throughout the world give some thought to the inescapable fact that the standard of living of the millions of people in the underdeveloped areas of Asia, Africa, and other parts of the world bears a direct relationship to the maintenance of world peace.

Therefore, I wish to discuss very briefly my point of view in regard to the economic approach to peace. I happen to think that an order of permanent peace in the world cannot be established until we set up a system of international justice through law, and, also, peace will not prevail until we recognize that peace must be won on the economic fronts of the world. ["Hear." "Hear."] Wars do not produce peace; neither do armament races. ["Hear." "Hear."]

It is my understanding that, earlier in this conference, there was general recognition on the part of most of the delegates that political colonialism has become a thing of the historic past. It is equally important for the economically favored nations of the world to recognize that economic colonialism is also on the way out. ["Hear." "Hear."] Economic colonialism has expressed itself in a variety of forms over the decades. Most commonly it has been linked inseparably to political colonialism. In some instances it has taken the form of economic exploitation fastened upon weak nations by powerful foreign industrial and banking combines, backed at times by the army and navy of the country whose nationals have made great investments in a foreign country. Investors from my own country on occasion have not been free of this criticism, with the result that the United States in some instances has been joined in that criticism.

Therefore, I would suggest that, as far as my country is concerned, and I use it only as an example because the abuse of which I speak is not limited to the United States, we should change our national policy in respect to the support given to foreign investors. I think the best way to describe the change in American economic foreign policy which I propose is to reverse the symbols of a figure of speech that is frequently used to describe the relationship which exists between the American Government and the economic investments made in foreign countries by American investors.

In the past, the economic foreign policy of the United States has been described by many writers as one in which the American flag follows the American dollar. I would change that figure of speech by proposing the adoption of an American economic foreign policy which could be described as one in which the dollar follows the American flag. If you will ponder the implications of my proposed descriptive terms of economic foreign policy, you will recognize great differences in governmental policy that would necessarily result therefrom. My proposal would bring an end to "dollar diplomacy." It would stop economic exploitation of weaker peoples. It would develop economic productive power of underdeveloped nations for the benefit of the people of each nation in which the foreign investments are made, and at the same time provide a fair profit for the investors. It would promote good will among nations and reduce existing international tensions.

Interestingly enough, an economic foreign policy based upon the dollar following the flag would strengthen a system of international justice through law discussed in the first part of this address. It would accomplish that end, because my proposal involves the negotiating of economic treaties between the government whose nationals are making the economic investment and the government in whose country the investment is to be made. Such treaties as have been authorized since 1948 now exist to a very limited extent. What I am urging is that such treaties, somewhat broadened in scope, be more widely used as an instrument for economic development of underdeveloped countries.

Speaking in terms of a hypothetical case, my proposal would provide that countries X and Y should negotiate an economic treaty, under which treaty foreign investments by nationals of country X are to be made in underdeveloped country Y. Such a treaty would set forth the terms and conditions governing the investments, including an agreement as to the reasonable profits that those who risk their capital should be allowed to take out of the country. There is no doubt about the fact that, in too many instances in the past, foreign investors have weakened rather than strengthened the productive power of the country in which the

investment was made through exploitation of its natural resources and its people.

Under a program such as I propose, in which the dollar would follow the flag, such exploitation would be prevented by treaty. If any dispute should arise in respect to the implementation of the investment, or if the country in which the investment is made should nationalize the industry or confiscate the investors' property and business, the treaty would provide a binding agreement between the two governments that the issue would be submitted to a judicial tribunal of the United Nations for adjudication.

But, you ask, what about the investors who in the meantime have lost their property and their business? It is my proposal that, to encourage economic investments abroad as an aid to strengthening freedom in the world and furthering the cause of peace through raising the standard of living of people in underdeveloped countries of the world, my Government should insure more such investments through the analogous principle of the Federal deposit insurance guaranty of bank deposits. I know of no better expenditure of defense dollars than guaranteeing to American investors that, if they will help strengthen the economic productive power of underdeveloped countries so that standards of living may be raised to a more decent level in those countries, the United States will repay the American investor for any losses suffered as a result of the violation of treaty obligations on the part of the recipient country.

I venture to say that the adoption of such an economic treaty program would bring to an end violations of investors' rights by foreign governments, and would result in practically no loss to the American taxpayers. Such a fair procedure would also remove the alibi from the lips of the exploiting investor who in times past has attempted to justify his policy of economic colonialism with the excuse that he feels that it is necessary to move into an underdeveloped country and make huge profits in a short period of time because he never can be sure when the foreign government might nationalize his property and kick him out with little or no compensation for his investment.

You will note that, in respect to this proposal, too, I have been emphasizing procedures for administering foreign policy between nations. As an old law teacher, I sought to drill into the heads of my law students, from the first day they entered the law school until the last speech I made to them on graduation night, that they should never forget that the substantive legal rights of a client can never be any better than the procedural rights guaranteed by the tribunal which is to adjudicate his case. That is true of any human institution.

Let me determine the procedure of any institution, and I will determine in a large measure thereby, all the substantive rights it makes available to its members. That is why I think there is such a great need for various procedural reforms within the Charter of the United Nations. I have already discussed the need for some procedural reforms in respect to the judicial processes provided in the charter. In the same framework I stress the need of treaty provisions providing for procedures that will encourage foreign economic investments in underdeveloped countries to the mutual advantage of both the investors and the people of the country in which the investment is made. Through such procedures we can strengthen both economic freedom and world peace.

The most common reaction to economic foreign policy based upon a program of the dollar following the flag, is that it is too idealistic and theoretical. My critics say none too kindly that such a proposal shows what happens when a professor is elected to political office. But to this conference, composed of realistic men and women, I would point out

that not a single one of you has ever experienced a practicality except in terms of an ideal put to work. Further, it should be said that there is nothing practical about resorting to the expediency which characterizes so much of the diplomacy practiced in the world today. ["Hear." "Hear."]

You cannot compromise principle, and have principle left. You cannot substitute expediency for idealism and avoid corruption. I have observed in politics that those who seek to justify a vote motivated by expediency engage in a rationalization of compromising their true convictions. They seek to cover up a corruption of their intellectual honesty. Such political expediency erodes statesmanship. Much of this evil—all too prevalent in parliamentary halls the world around—can be traced to a failure of parliamentary bodies to give sufficient attention to procedural guaranties which are so essential to preserving substantive rights.

I respectfully submit, Mr. Chairman, that part of the tension that exists among many nations in the world today is due to a failure on the part of all nations to give due respect and regard to both the procedural and substantive foreign policy rights of other nations. If our statesmen consider it inconvenient or inexpedient to go through the United Nations on an issue, they do not hesitate to go around the United Nations. Thus world tensions have been increased from time to time in recent years by unilateral action on the part of major powers in both the free and Communist segments of the world. Such a course of action does violence to the spirit and intent of both the procedural and substantive objectives of the United Nations Charter.

Whenever any country, by unilateral action, seeks to impose on the rest of the world a foreign policy that increases international crises and tension, it is not serving the cause of peace. Unilateral action in the field of military and economic aid has in some instances created international misunderstanding.

There has been discussion in this parliamentary conference to the effect it would produce better international relations if more economic aid were administered through the United Nations rather than unilaterally by such powerful governments as my own. Surely this is a subject matter that is worthy of further discussion and negotiations. I do not quarrel with the objective that a United Nations agency administering foreign aid could do much to overcome some of the prejudices and misunderstandings that have developed in respect to American foreign aid. However, it would be not only a serious mistake, in judgment, but also an unfair judgment, to conclude that the American foreign economic aid program is motivated in any way by principles of unfair discrimination against the people of some democracies and favoritism for the people of others. Here again, there are many procedural problems to be solved in working out a fair and efficient United Nations foreign aid allotment program.

The fact is indisputable that the major portion of an economic foreign aid program has been paid for at least up to now by the taxpayers of the United States. This American contribution to foreign aid will continue to be considerable for some time as far as present indications point. Debates in our country to date over proposals to give greater jurisdiction to SUNFED run into the procedural objection that the United States under existing SUNFED procedures could be called upon to pay a great proportion of the total bill but at the same time could be overwhelmingly outvoted in the determination of the expenditure policies and distribution of funds. May I say good-naturedly that this objection is reminiscent of the historic American objection to taxation without adequate representation. [Laughter.]

Then, too, I would have you recall the reference in the early part of my address to the check on American foreign policy exercised by the voters of our country at the ballot box. Unless procedures can be worked out for the administration of SUNFED that will give assurance to the American taxpayer that they have no cause for concern that a majority of member nations will not discriminate against American interests, congressional support for SUNFED is bound to continue to be lacking. However, Mr. Chairman, I am convinced that the procedural objections which American representatives in the United Nations discussions have raised to date in respect to SUNFED can be remedied without sacrificing the very laudable objectives of SUNFED. In this next session of Congress in light of what has been said at this conference about the SUNFED issue, I intend to give the matter thorough study and shall request the Foreign Relations Committee of the Senate to give thorough consideration to a review of the entire matter.

The last point I wish to comment upon in this address is my view in respect to the need of directing foreign-aid programs to specific projects and trade policies which will benefit the people of the country where the money is to be spent. Economic foreign aid which does not reach the mass of the people in a manner that directly or indirectly helps raise their standard of living is of questionable value. I am afraid that there has been too much of our foreign aid that is subject to that criticism. As a general policy I strongly favor economic aid that is related to specific, approved projects.

Several years ago I discussed foreign-loan policies on behalf of my Government with the Government of Mexico. At that time I urged the adoption of a foreign-loan program based upon a line-of-credit principle. It was my recommendation then, and still is, that whenever it is possible loans should be related to specific economic projects such as dams, reclamation projects, refineries, roads, and railroads, steel plant construction, and all the other economic developments which are needed in many underdeveloped countries. Instead of making a blanket loan to a foreign government it would seem to be a sounder policy to make a line of credit available to that government to be drawn upon when a joint commission composed of representatives of the two countries agree upon a recommendation for a given project.

Under such a foreign aid loan program one of the objections raised often in my country would be minimized; namely, that blanket loans to some governments have not resulted in the economic benefits which should result from such loans, actually reaching the people of the country. Government leaders come and go, but the need goes on for improving the economic productive power of underdeveloped areas of the world where the standard of living of millions of the people is so low that the cause of peace and freedom may be endangered.

Thus, for example, I favor a substantial loan to Egypt for the building of the Aswan Dam and the huge reclamation project that would accompany it. It is a dramatic example of what could be accomplished by a foreign-aid loan program based on a project-by-project approach. The need for an Aswan Dam is not a singular project in the field of water conservation and reclamation development. Similar projects on varying scales are needed in practically every underdeveloped area of the world. The reason is a simple one. Civilizations do not rise on falling water tables. For a very long period in history the Middle East was the greatest civilization on the face of the earth. When it enjoyed that position of prestige and power, it was a civilization that protected its water table. It had four times the land

under cultivation and vegetation that it has today.

Peace in the Middle East is dependent in no small measures upon developing economic projects that will raise the standard of living of the teeming poverty-stricken population of that tinderbox area of the world. The sound economic projects encompassed in India's second 5-year plan are likewise deserving of loan support on generous terms by the economically powerful nations of the world. These projects speak for themselves and the great economic needs of the people of India also speak for themselves. My trip to this parliamentary conference has reaffirmed a viewpoint I have expressed many times, namely, that what the masses of the people in Asia and Africa need is bread, not guns. ["Hear." "Hear."] The cause of freedom in Asia and Africa can best be protected and strengthened in the years ahead through economic aid which will raise their standard of living. ["Hear." "Hear."]

Finally, Mr. Chairman, I wish to say that as we proceed to improve the economic life of the peoples in the underdeveloped parts of the world, we assure the greatest chance of permanent peace. A comparison between the longevity of the people of the underdeveloped countries of 37 years, and of the United States of 67 shows that length of life has a direct economic causation. As we improve the economic lot of underprivileged people, we will improve the chances of permanent peace.

Let us never forget that in our quest for peace we must follow the dictates of great universal moral laws. These laws are not clichés unless politicians make them so. They are mandates binding upon mankind if we are to have permanent peace. The great issues of improving the standard of living of millions of people in the underdeveloped countries of the world is a moral challenge to Western democracy. I raise for the guidance of our governmental conduct, and I rest my case upon it, the moral law: "Do unto others as you would have them do unto you." [Cheers.]

Mr. MORSE. Mr. President, although I do not remember the exact vote by which the treaty was approved—I would be surprised if it was not unanimous—I remember that at the time the Senator from Kentucky was Assistant Secretary.

Mr. MORTON. I was lobbying the treaty.

Mr. MORSE. No, the Senator was not; he was a very able witness in support of the State Department in behalf of the treaty. I want the RECORD to show my repeated high commendation of the Senator from Kentucky for the work he did in informing the Senate as to the soundness of the Rio Treaty. There is concern in Latin America, as a result of the House resolution, whether the United States stands behind the Rio Treaty and the OAS Charter. That is one action of which the senior Senator from Oregon, as chairman of the Subcommittee on Latin American Affairs, is not very proud.

The State Department should make itself unequivocally clear as to where it stands. I am giving it that opportunity through the resolution that I am proposing today.

Article 19 of the OAS Charter reads:

Measures adopted for the maintenance of peace and security in accordance with existing treaties do not constitute a violation of the principles set forth in articles 15 and 17.

In its first operative paragraph the resolution which I am introducing today would advise the President, in accordance with the Senate's constitutional powers, that U.S. foreign policy should be conducted in consonance with these and other treaty obligations. This is really no more than a copybook maxim, but, regrettably, it needs to be repeated.

In the resolution's second operative paragraph, it reaffirms the support of the Senate for the Alliance for Progress and for collective hemispheric action against threats of aggression or subversion. Special reference is made to encouraging the development of regional markets, because Latin American integration, in my view, can make an important contribution to achieving the goals of the Alliance.

Finally, specific reference is made to the resolutions of the eighth and ninth OAS Foreign Ministers meetings which dealt specifically—and I might add, successfully—with the threat of Communist aggression and subversion in the Hemisphere.

The eighth meeting, in Punta del Este in January 1962, declared the principles of communism to be incompatible with the principles of the inter-American system and excluded the Castro government of Cuba from further participation in the various organs of the inter-American system.

The record will show that as a delegate from the Congress, I spoke in conference after conference, with delegates from other Latin American countries, in support of that action. As I said then, and say now, Cuba under Castro was seeking to infiltrate, seeking to take over one government after another, and no longer was deserving of being a member of the Organization of American States.

As a result of the Charter of Punta del Este, I thought Cuba should be left out of the Organization of American States until it deserved to rejoin that community of free nations.

I was honored to be one of the congressional delegates to that meeting of the foreign ministers in Washington, D.C.

The ninth meeting, in Washington in July 1964, decreed the severance of diplomatic and consular relations with Cuba, the suspension of trade with Cuba except for food and medicine, and the suspension of sea transportation to and from Cuba except that of a humanitarian nature. It likewise warned the Government of Cuba that it might be subject to military sanctions if it persisted in acts of aggression or intervention against member states of the OAS.

It is important to recall these decisions of the OAS, Mr. President, because a myth is being perpetrated in Washington that the OAS is a spineless organization incapable of action and that as a consequence the United States is entitled to assert for itself the right to make decisions for the OAS. The record clearly shows that the premise is not true. And the law clearly shows that even if the premise were not true, the consequence would not follow.

We owe it to the Organization of American States to do everything we can

to strengthen it, not weaken it. We owe it to the Organization of American States to remove any doubt that may exist with respect to where we stand about multilateral action and unilateral action in Latin America.

I put this resolution forward today as the basis for consideration by the Senate and as giving this administration an opportunity to repledge itself to the treaty obligations referred to in the resolution.

I am not wedded to the precise language of the resolution, but its principles need to be reaffirmed. I wish to read the resolution into the Record.

Whereas the Constitution of the United States, in Article II, Section 2, provides for the Senate to give its advice and consent to the President with respect to treaties; and

Whereas the Senate in 1947 gave its advice and consent to ratification of the Inter-American Treaty of Reciprocal Assistance which provides for consultation and collective action, in accordance with the constitutional processes of each of the parties, to meet threats to peace and security of the Hemisphere; and

Whereas the Senate in 1950 gave its advice and consent to ratification of the Charter of the Organization of American States which prohibits intervention by one State in the affairs of another: Now, therefore be it

Resolved, That the Senate further advise the President that the foreign policy of the United States should be conducted in consonance with these and other treaty obligations which were freely entered into.

SEC. 2. It is the further sense of the Senate that the foreign policy of the United States, with respect to the Western Hemisphere, should be directed toward achievement of the following major objectives:

(a) The economic growth rates and social reforms set forth in the Alliance for Progress, as embodied in the Charter of Punta del Este, including the encouragement of the development of regional markets; and

(b) Collective defense of the hemisphere against aggression or subversion as provided in the Inter-American Treaty of Reciprocal Assistance and more specifically in the resolutions of the Eighth and Ninth Meetings of Consultation of Ministers of Foreign Affairs, dated respectively in Punta del Este, January 31, 1962, and Washington, June 26, 1964.

What would the passage of this resolution do in Latin America? It would be heralded as a rededication of the United States to its treaty commitments. It would be recognized as a complete answer to the unfortunate resolution passed by the House of Representatives.

It would be a reaffirmation of the fact that under the Constitution, the power is vested in the Senate, and not in the House of Representatives, to advise and give consent to the President in the field of foreign policy.

I am greatly concerned about what is happening to the image of the United States, in respect to our willingness to keep our commitments under international law, not only in Latin America, but in many other parts of the world.

The Senate well knows the position that the senior Senator from Oregon has taken for more than 2 years in opposition to the violation of international law time and time again by the Government of the United States in South Vietnam.

I now incorporate by reference every criticism of United States policy in Asia that I have made for more than the

past 2 years. I am perfectly willing to stand on the record as made in the pages of the history of the Senate in opposition to the outlawry of the United States in Asia, in violation of one treaty obligation after another ever since we set up our first puppet in South Vietnam, in violation of the Geneva accords, militarized him, financed him, and have moved from puppet to puppet.

Although we give the hypocritical pretense to the world that we are supporting freedom in South Vietnam, there has never been an hour of freedom in South Vietnam under the rule of the United States, and the United States has ruled South Vietnam from the beginning of our illegal war in South Vietnam. These issues of international law must be faced up to.

We find North Vietnam today engaging Americans, and that North Vietnam proposes to violate the Geneva treaty in regard to war prisoners. That is expected from Communist nations. But I wish to disassociate my country from Communist nations, when it comes to violations of international law.

I wish to see my country get inside the framework of international law. There is not the slightest justification for treating American prisoners captured in North Vietnam as war criminals. We know that this means their summary execution.

That is what must be expected, unfortunately, when an illegal war is being conducted; when the United States has not complied with the Constitution of the United States, article I, section 8, and declared war; and when American boys are being killed in Asia without a declaration of war having been made.

That is why I said several days ago that my President, my Secretary of State, my Secretary of Defense, and all those in the executive branch of the Government, as well as those in the Congress, ought to reread the great war message of Woodrow Wilson of April 7, 1917, to the joint session of Congress, when he came before Congress and announced that he had no constitutional power to wage war in the absence of a declaration of war.

That is why I have asked my President, his assistants in the executive branch of Government, and the Members of Congress to read the great war message of Franklin Delano Roosevelt following Pearl Harbor when he, too, made clear that no President has the constitutional power to wage war in the absence of a declaration of war.

I not only want my Government to get back inside the framework of international law, but I want my Government to get back inside the framework of the Constitution of the United States.

We cannot continue the course of action that we are following in South Vietnam, or the course of action that we followed in the Dominican Republic, and not lose the respect or the support of millions and millions of people in the non-Communist countries of the world.

The course of action we are following is making more Communists in a week than Red China or Hanoi or the Vietcong can make in a month.

We are playing their game. That is why I make the plea again that my country get inside the United Nations Charter. I care not what other members of the United Nations may say they will do if we put them on the spot and ask the United Nations to exercise jurisdiction over the threat to the peace of the world in Asia.

With this warning from North Vietnam, does the United States think it can do anything about the treatment of American prisoners as war criminals, shocking as it is?

I do not know whether the United Nations can do anything, but we will never know until we try. I have the feeling that if 90 nations—and I believe 90 nations would line up with us—would support the peacekeeping program and send whatever number of divisions are necessary into Asia, to stop the war, not to make war, we might have some chance of winning a peace, on honorable terms.

History is pointing its finger in the direction we are going to follow if we continue on our present course. We will leave to future generations of American boys a heritage of years and years, decades and decades of intense hatred for America all over Asia, until finally the yellow races drive us out, if it takes a hundred years.

Mr. President, we can never win the support of millions of Asians by the course of action that we are following in South Vietnam and North Vietnam.

As I have said so many times on the floor of the Senate, we will win every major military engagement. The billions of dollars that we have voted in recent years for military power of course would be wasted if we did not do that.

But do we make a great military record by shooting fish in a barrel? That is exactly what we are doing in Vietnam. We are occupying South Vietnam, and the North Vietnamese and the Vietcong have not a chance against the military power of the United States. We can continue to kill them by the thousands, just as fish in a barrel can be killed by shooting them in the barrel. But that will give no peace. That will give a military victory, but not a military victory that will even win a war, for the final decision is whether or not we can win a peace. The illegal U.S. military warmaking policies in Asia will never win a peace, but will win a century of intense hatred and a desire for vengeance against the United States.

I do not know what we are thinking about. I do not know what got us on this course. But we have a solemn responsibility to future generations of Americans to change our course and get back inside the framework of our international law commitment. So I am asking for that consideration.

I have read this morning—and I hope every Senator will read it—what I think is one of the most penetrating articles dealing with our course of action in Vietnam that has appeared in print to date. The article, entitled "Defeat Through Victory," was written by Joseph Kraft, and is published in today's Washington Post. Mr. Kraft points out some of the premises for which I have been

arguing for many months past in the Senate. He points out in his article that we can cause military devastation in southeast Asia, but that we can never bring peace by military devastation. We can kill and kill and kill, but we will only intensify the determination of the North Vietnamese and the Vietcong never to come to terms with the United States. If we continue to escalate the war, as certainly as the sun rises in the morning we will end by being at war with China. We have neither the manpower nor the economic power to dominate China during the next 50 years that our occupation will be required.

The sad thing is that there can be no survival of our allies in South Vietnam in the form of those military tyrants that we are supporting, without the presence of American military power. I do not know what the White House and the Department of State are thinking of when they recognize what those puppets want. They want no negotiation. Mr. Kraft brings that out in his article. They want no negotiations. They apparently want unconditional surrender. They will never get it. Red China and North Vietnam will never give an unconditional surrender. In fact, we see them moving in the opposite direction now in respect, even, to negotiating. Mr. Kraft points out that whereas last May Hanoi was talking about some conditions for negotiation, we now find them even repudiating those conditions on the terms they offered them.

But I thought there was one particularly interesting comment in the Kraft article this morning. Mr. Kraft writes:

The attitude of the Saigon generals seems to be shared by many American officials in Vietnam. Military briefings have yielded a flood of optimistic accounts, accompanied by statements that, with the tide running so favorably, it would be a mistake even to talk about negotiating with the other side. That Ambassador Henry Cabot Lodge opposed the almost innocuous mention of negotiations in Ambassador Arthur Goldberg's speech to the U.N. General Assembly seems to be an apt expression of the mood in Saigon.

The perceptible stiffening on the part of the Saigon regime and the United States finds its counterpart on the other side. The execution of two American prisoners by the Vietcong this week is only the most dramatic sign of increased Communist militancy on Vietnam.

A far more important sign of the new, hard line lies in a formal communique put out by the North Vietnamese Foreign Ministry on September 23. In the communique, Hanoi, for the first time, denounced President Johnson's various peace offers in the accents of Peiping. Among other terms borrowed from the Chinese, the communique uses the epithets "trick," "maneuver," and "mere swindle."

At the same time, the communique does an about-face on the most hopeful note ever sounded by Hanoi on negotiations—the four-point program enunciated by Premier Pham Van Dong on April 8. At that time it was not clear whether the four points were to be conditions for negotiations, or merely a declaration of principles. But it has now become known that on May 18, just before the end of the pause in the bombing of North Vietnam, Hanoi officially told Washington through its representative in Paris that the four-point program was not to be considered as a set of preconditions for negotiations.

In the communique of September 23, Hanoi pointedly reverses the May 18 position to make the four points an absolute precondition of any talks. The communique says: "The U.S. Government must solemnly declare its acceptance of this four-point stand before a political settlement of the Vietnam problem can be considered."

It never will be worked out in a bilateral arrangement. It must be worked out with noncombatants sitting at the head of a negotiating table. The best vehicle is the United Nations. That is why I close with a plea, once again, that my country wait no longer; that my country proceed without further delay to give the instructions to Ambassador Goldberg to request a meeting of the Security Council to consider the threat to the peace in Vietnam. If any nation vetoes a proposal for handling this dispute in the Security Council, the case be taken to the General Assembly. The United Nations is now in session in New York. In my judgment, the administration should be before the Security Council forthwith with such a request. If France or Russia, or both, should veto a proposed action, we should then proceed to the General Assembly. I believe that that is the way to get back inside the framework of international law. That is the way to demonstrate again that we truly believe in the substitution of law for the law of the jungle by way of military might.

Mr. President, if it was so sound—and it was—for the Ambassador of the United States to the Security Council to urge Security Council intervention in the war between India and Pakistan, it is equally sound for the United States to urge Security Council or General Assembly intervention in the war in southeast Asia. Until we do it, we never will remove from ourselves the justifiable charge that at this hour the United States stands before the world self-convicted of shocking hypocrisy in international affairs, for we are a hypocritical nation.

We apparently believe in others doing as we say, but not in doing it ourselves. We believe that any other nation in the case of a threat to the peace of the world, not involving the United States, should go forthwith to the United Nations. However, when we set ourselves up unilaterally to conduct an illegal war, we apparently think that, because of our military might and power, we can exempt ourselves from the operation of our treaty obligations.

Mr. President, the world knows better. Do not let my administration make the mistake of thinking that only the Communist nations are critical of us in respect of our outlawry, for there is growing criticism of us among the friendly nations of the world—yes, among Western nations.

Before more American boys are unjustifiably sacrificed in Asia, I should like to see my country return to the international law of commitments and once again be able to raise its head high in the councils of the world as an advocate and defender of the rule of law for the settlement of disputes that threaten the peace of the world.

STRENGTHENING CERTAIN LAWS RELATING TO BANKING

Mr. McCLELLAN. Mr. President, on behalf of the junior Senator from Washington [Mr. JACKSON], the senior Senator from North Carolina [Mr. ERVIN], the junior Senator from Connecticut [Mr. RIBICOFF], the junior Senator from Oklahoma [Mr. HARRIS], the senior Senator from South Dakota [Mr. MUNDT], and myself, I send to the desk a bill and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2575) to strengthen certain laws relating to banking, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that, at the conclusion of my remarks, a summary of the bill, together with the text of the bill itself, be printed in full in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLELLAN. Mr. President, I have introduced today for the consideration of the Congress a bill that would amend our Federal banking statutes. This proposal is a result of the extensive investigation and hearings which the Senate Permanent Subcommittee on Investigations made earlier this year in the field of federally insured banks. The investigation was undertaken with the approval and cooperation of the chairman of the Banking and Currency Committee of the Senate.

Nineteen hundred sixty-four was the worst year for bank failures in more than two decades. There were seven closings last year of banks that were insured by the Federal Deposit Insurance Corporation. In 1965, prior to our hearings, there were two failures of national banks followed by the collapse of two federally insured banks operating under State charters, and during our hearings another federally insured bank failed.

The subcommittee's investigation was particularly concerned with these factors relating to bank failures:

First. Changes of ownership and control in banks, sometimes by secret agreements, which were quickly followed by the depletion of the bank's assets and the eventual failure of the bank;

Second. Abuses in the solicitation of funds through certificates of deposit, and the payment of high interest rates, fees, and commissions for such transactions;

Third. The inadequacy of existing laws to prevent the acquisition of controlling interests in existing banks and other financial institutions by persons of questionable character and integrity, who lack banking experience and financial responsibility; and

Fourth. The effectiveness of policies and practices of Federal banking agencies in the supervision and examination of these banks.

The record of our hearings shows clearly, Mr. President, that the banks

under investigation, through their ownership and management, were engaged in many highly irregular activities, and that there were numerous violations of Federal banking regulations and of certain Federal statutes. Testimony showed that shocking patterns of improprieties were common among the banks that failed or which were rescued from the verge of collapse:

These banks permitted loans that were excessive in relation to collateral for ventures in which officers, stockholders, or personnel of the bank had personal or corporate financial interests;

Loans were commonly approved which were based upon highly inflated values or upon questionable appraisals;

Bank funds were frequently diverted to corporate shells which were established to represent the interests of persons responsible for the diversion, or that of associates or confederates;

These banks made many loans to customers beyond their service areas—so-called out-of-territory loans—without traditional banking safeguards of establishing credit and financial standing; and

These banks relied heavily for operating funds upon large time deposits brought to them by "finders" or "money brokers," and regularly paid high interest rates, plus fees and commissions, for these funds. This was high-cost money and it had to be used for high-yield lending purposes, which logically were almost always high-risk transactions.

Mr. President, the subcommittee found that these practices, among many others of questionable nature, resulted in the insolvency of the banks and their closings by the Federal or State banking agencies. In all the banks investigated, we found infiltration by persons of poor character and responsibility. This proved true whether the bank in question was newly organized by such persons or whether it was an existing bank whose controlling interest had been acquired by them.

Testimony makes it quite evident, Mr. President, that the usual purpose of these infiltrators was to deplete the assets of the bank and to convert the money to their own interests or the interests of confederates. Generally these operators purchased the controlling stock of a bank with borrowed money, sometimes cloaking their identities by secret agreements, and pledged the newly acquired stock as security. The next move was to secure large amounts of money through certificates of deposit, which were listed as assets of the bank, thus inflating the bank's true financial position. The bank then made risky or highly inflated loans to the new owners, to their front men, or to organizations they owned or controlled. Ultimately, this cycle of deception led to defaulted loans, untenable liquidity positions, action by Federal or State agencies, and either failure or costly reorganization of the bank.

All the banks that failed were insured by the Federal Deposit Insurance Corporation, whose losses have not yet been clearly determined. Total losses to stockholders and large depositors in these banks are also not fully known.

The legislation proposed in this bill is intended to close loopholes in existing laws and to provide efficient and effective administration by the Federal banking agencies through new and firm controls for the following areas of banking:

First. Convicted criminals participating in bank management and policies through stock ownership.

Second. Falsification of documents used in banking transactions.

Third. Willful inflation of assets and appraisals in banking transactions.

Fourth. Granting of national bank charters.

Fifth. Changes of ownership of bank stock, including secret agreements to cloak the identities of beneficial owners.

Sixth. The borrowing of money to organize a national bank or to acquire the controlling interest in a federally insured bank.

Seventh. The interchange of information among Federal banking agencies.

Eighth. Independent audits for federally insured banks.

Ninth. The use of certificates of deposit.

Tenth. The activities of dealers in certificates of deposit, commonly called money brokers.

This bill also provides that the President shall initiate an immediate joint study to be undertaken by the Secretary of the Treasury and other such officers of the Government as the President shall designate to review existing legislation and administrative practices under which the many departments and agencies of the Federal Government exercise supervisory functions with respect to National and State banking institutions. This study would determine whether a reorganization of such functions is necessary or desirable. The study would include, among other relevant matters the desirability of a coordinating committee on bank regulations, a central clearinghouse for all Federal banking reports, the consolidation in the Treasury Department of all examinations of banking institutions under Federal jurisdiction, and the dissemination of such examinations to other interested agencies of the Government, including the FBI, when there is a possible criminal violation.

The bill we are proposing is merely a vehicle for consideration of legislation in the field of Federal banking. We feel that upon further considerations by the appropriate legislative committee there may be sections of this bill that they want to expand, or even delete. However, after appropriate consideration, we feel that this bill will serve as a basis for needed legislation in this field.

It may be said that there is already too much control over banking and that additional laws would only hamper the banking industry and further impair our free enterprise system. I want to say positively that such fears are wholly unfounded with respect to this proposed legislation.

This measure, if enacted, will not control banks per se, nor will it interfere with their normal and legitimate practices. Instead, it will protect the banking institutions of our country from infiltration by "confidence men" and

"fast buck" artists, who use sharp practices to make raids on and to siphon from our banks the hard-earned savings of the American people. This bill will free and protect the banking segment of our free enterprise system from the evils and exploitations to which some banks have recently been exposed—as revealed by our subcommittee's investigation.

The bill also provides that Federal banking agencies will exercise the same supervision and control upon changes of controlling interests in existing federally insured banks that would be exercised in the organization of a new Federal bank.

Stricter control is certainly needed for certificates of deposit and for those who deal in those certificates placed in federally insured banks. Testimony has shown that certificates of deposit were used to inflate the assets of the banks we investigated and that CD's were used by the new owners to fill their own pockets.

This bill proposes that Federal regulatory agencies may require banks to provide full details about certificates of deposit and about "money brokers" and their fees. There is an accepted place in the banking industry for dealers in certificates of deposit. However, our hearings showed that the Federal banking agencies must have more knowledge and information in this area to prevent "fly-by-night" operators from moving certificates of deposit into newly acquired banks to deplete their assets. The bill would eliminate these unsound practices.

Mr. President, this bill also, first, defines certain conditions governing controlling interest of bank stock; second, prohibits false financial statements or overvaluation of security for purposes of obtaining bank loans; and, third, provides for the exchange of information concerning bank by supervisory agencies of the Government.

Our subcommittee's investigation disclosed the ease and convenience with which, in many instances, convicted criminals and persons of disreputable character moved into control of federally insured banks through the means of front men and fraud, forgeries, and inflated securities.

We were told that there was no Federal statute clearly prohibiting such practices in our federally insured banks, although there are prohibitions against some of these practices in federally insured savings and loan associations. The bill extends the same protection to federally insured banks.

To combat these practices, this bill provides that the Federal banking agencies shall conduct thorough investigations of all those seeking bank charters; that organizers of new banks shall be required to put up substantial cash or "hard money" in payment for their stock; and that applications for new banks shall be publicized and public hearings held on such applications if requested by interested parties. In addition, this bill provides that anyone convicted of certain crimes shall not hereafter participate, through stock ownership, in the management of a federally insured bank without the approval

of the Federal Deposit Insurance Corporation.

There is obvious need for full exchange of information by Federal banking agencies, an area which has been neglected in the past. This bill clarifies the section of the code dealing with the exchange of reports by Federal banking agencies and certain State banking authorities. It provides for full and free exchange of reports by Federal banking agencies.

We also heard testimony about the effectiveness of bank examinations. This bill follows recommendations made during and after the hearings by Federal banking agencies for independent audits of federally insured banks. As provided in this bill, these audits are not required on a regular basis for every bank but only at the discretion of the Federal supervisory agency who would share the expense of such audit with the bank. These audits would reveal the accuracy and authenticity of a bank's records, would verify the adequacy and value of collateral for loans, and would show whether the bank's financial statement fairly presents its true financial condition.

In my judgment, this bill will in no way adversely affect the honest, responsible, and dedicated banker, nor will it in any way infringe upon the proper exercise of his lawful rights.

If it is enacted into law, and I hope it will be, it will deter those unscrupulous practices that are sometimes engaged in by those who seek to gain control of and to exploit legitimate banking institutions for their own personal benefit and illegitimate profit. It will not impair—but it will enhance confidence in—and it will not weaken but rather it will strengthen—our free enterprise banking system.

It is a good bill, and I hope it will pass during the next session of the Congress.

EXHIBIT 1

SUMMARY OF PROPOSED BILL

Section 1 (page 1), national bank charters: Rewrites 12 U.S.C. 27, "Certificate of Authority To Commence Banking." This section provides for notice of an application for charter to be given the appropriate Federal and State banking agencies and publication of a notice in a newspaper of general circulation in the area of the proposed bank.

If, within 30 days a hearing is requested by an interested person (as defined in the bill) or a Federal or State banking agency:

1. Such hearing will be provided by the Comptroller in not less than 30 or more than 60 days;

2. All interested persons will be notified and notice of the hearings will be given in a newspaper of general circulation in the area;

3. For the purposes of the hearing, the Comptroller can administer oaths, compel the attendance of witnesses, production of documents and take depositions;

4. The Comptroller can obtain the assistance of the Federal District Court in requiring the attendance of witnesses and production of records;

5. The decision of the Comptroller can be appealed to the Court;

6. On the basis of such hearings the Comptroller will determine, before granting the charter, whether:

(a) The association has complied with all laws pertaining to chartering of banks;

(b) The source of the money paid in as capital has been verified and a determination has been made of the general background and reputable character of each of the proposed directors;

(c) Each of the prospective shareholders, before making payment on their stock, have been provided with a circular that names the proposed directors, gives their background and business contacts;

(d) The proposed directors and shareholders are acting for undisclosed principals or if they are participating in undisclosed agreements in making such application;

(e) The sole purpose contemplated by the shareholders of such association in forming the same is to accomplish the legitimate objects contemplated by the National Bank Act;

(f) The new charter is in the best interest of the public and the community; and

(g) The views on the granting or denying of a certificate to such association have been obtained from the Federal Reserve Board, FDIC, and the appropriate State banking authority.

In case a hearing is not requested, the Comptroller shall carefully examine the certificate and statements of facts and other relevant matter which may come to his attention and will determine, before issuing a charter, that:

1. The association is lawfully entitled to commence business as a national bank and has complied with all the laws pertaining to a national banking association;

2. By investigation, he has determined the background and reputable character of each of the proposed directors and verified the source of the money paid in as capital;

3. The prospective shareholders of such association, before making payment on their stock, have been given information on the directors, showing their background and business interest;

4. The prospective directors and shareholders are not acting for an undisclosed principal or participants of any undisclosed agreements in making such applications;

5. The purpose contemplated by the shareholders is to accomplish the legitimate objects of the National Bank Act;

6. It is in the best interest of the community to issue such charter; and

7. The views on the granting or denying of a certificate have been obtained from the Federal Reserve Board, FDIC and the appropriate State banking authority.

Section 2 (p. 6), conversion of State charter banks to national banks: This section supplements 12 U.S.C. 35 by providing that when a State charter bank has applied for a National bank charter, the Comptroller of the Currency shall, before approving such conversion, request and consider the views on the application, of the Board of Governors of the Federal Reserve System and FDIC.

Section 3 (p. 6), oath of office for directors of national banks: This section pertains to 12 U.S.C. 73, the oath of office for directors of National banks. We are inserting in the oath the additional statement that the directors are not acting for an undisclosed principal in the ownership of their stock. This supplements the provisions of the oath that also include, among other things, that the director is the owner in good faith and in his own right of the required number of shares of stock and has not hypothecated or pledged same as security for a loan.

Section 4 (p. 6), exchange of information concerning banks by supervisory agencies: This section pertains to the exchange of information among bank supervisory agencies and rewrites the section of the Code (12 U.S.C. 1820(f)) to clarify the positions of each of the supervisory agencies. In sub-

stance, it states that the supervisory agencies will provide summaries of their reports of examinations and any reports of bank conditions made to it and then furnish the summary to other agencies exercising concurrent supervisory functions. However, the agency receiving such report may request initially a full copy of the report and pertinent material relating to it. The reports and summaries are to be furnished promptly and without charge.

Section 5 (p. 7), payment of compensation by federally insured and Federal Reserve member banks for obtaining deposits: This section relates to certificates of deposits and provides that no insured bank or member of the Federal Reserve System, or its agents, can pay compensation for obtaining deposits of such bank except as the Board of Directors, FDIC or the Board of Governors, Federal Reserve System, by regulation may prescribe. Penalties are provided for violations.

Section 6 (p. 8), registration of certain persons performing brokerage services for insured banks in obtaining deposits: This section expands section 5 of this bill by requiring that any person shall not agree to accept commissions, fees or other compensation for placing deposits in a Federally insured bank in the aggregate amount of \$100,000 per calendar year unless he has registered with the FDIC and has been issued a certificate by the Corporation. Criminal provisions are provided for violation of this section.

Section 7 (p. 10), reports by insured banks with respect to funds held in exchange for certificates of deposits: This section also supports and expands sections 5 and 6 by requiring that each insured bank may be required to make a report to the FDIC at its discretion and in such form and at such time as the Corporation may prescribe, showing:

1. The funds held by such bank in exchange for certificates of deposits in the amounts aggregating \$100,000 or more;

2. The names and addresses of the persons to whom any such certificates of deposits were issued;

3. The name and address of the person, if any, which provided brokerage service with the certificate; and

4. The amount the bank, or any of its agents, paid or agreed to pay in connection with the acquisition of such deposits. These reports are made to FDIC, who would provide other supervisory agencies with a copy. The section also provides a penalty of not more than \$100 for each day of such failure to make the report.

Section 8 (p. 11), audit of books of banks the deposits of which are insured by the Federal Deposit Insurance Corporation: This section provides that an independent audit of federally insured banks may be required and such regulations may be prescribed by FDIC, when in the opinion of the Corporation an audit of the insured bank is warranted. The expense of any such audit shall be borne jointly by the FDIC and the bank. When such audits are required, they should reveal:

1. The accuracy and authenticity of the banks' records;

2. Verify the adequacy and value of collateral for loans made by the bank;

3. Demonstrate the ratio between secured and unsecured loans made by the bank; and

4. Show if the financial statement of the bank fairly presents its true financial condition. FDIC is required to furnish copies of these audit reports to the appropriate Federal agency exercising supervision over the bank.

Section 9 (p. 12), persons convicted of a crime participating in management and policies of an insured bank through stockownership: Provides that except with the written consent of FDIC no person who has

been convicted of a crime involving moral turpitude, for which a sentence of 1 year or more is provided, shall hereafter, directly or indirectly participate, through stockownership, management or control, in the operation, management, policies, or control of an insured bank. It contains a criminal provision for violation of the statute.

Section 10 (p. 12), acquisition of stock of federally insured banks: This section supplements the recently enacted law (Public Law 88-593, August 1964) referred to as the "reports on change in control of insured banks." Section 10 will require the purchasers (or transferees) as well as the bank president or other chief executive officer of such bank to report promptly to the appropriate Federal banking agency whenever a change occurs in the outstanding stock of any insured bank which will result in control or a change in the control of the insured bank.

The section also makes it unlawful for any person to extend, obtain or maintain credit for the purpose of purchasing the shares of capital stock of an insured bank (including any association being organized for carrying on business as a national bank), if the stock of such bank is used as collateral to secure such extension of credit, and (1) the amount of such credit exceeds 33 1/3 percent of the purchase price and (2) as a result of the purchase of such shares any person will acquire control of such bank.

This section also provides for insured bank that, when a change occurs in 10 percent or more of the outstanding voting stock, the transaction will be deferred 30 days for a review of the factors involved by the appropriate Federal banking agency. The transaction may be consummated immediately upon approval by the agency.

Also, this section has criminal provisions for the willful violation of the subsection, "the reports on the change in control of insured banks."

Section 11 (page 13), false statements or overvaluation of security for purpose of obtaining a loan from an insured bank: This section provides that false statements or overvaluation of any land, property, or security in connection with loans and credit applications in federally insured banks shall be a violation of the criminal statutes (18 U.S.C. 1014). This provision merely extended to federally insured banks that part of the Criminal Code covering savings and loan associations, Federal Home Loan banks, Farm Credit Administration, etc.

Section 12 (page 13), study with respect to reorganization of functions exercised by Federal banks supervisory agencies: This section provides that the President shall cause a study to be made by the Secretary of the Treasury and such other officers of the Government as he shall designate to review existing bank legislation and administrative practices. Such study shall include, among other relevant matters, a consideration of the desirability of (1) the establishment of a coordinating committee on Federal bank regulations, (2) providing a central clearinghouse for all Federal banking reports, and (3) the consolidation in the Treasury Department of all functions with respect to the examination of banking institutions under Federal supervision, and the furnishing by such Department of the results of such examinations to other interested agencies of the Government, including any possible criminal activities to the Federal Bureau of Investigation. Findings and recommendations resulting from such study shall be reported to the President and to the Congress at the earliest practicable date.

This would include the FDIC, Federal Reserve, Comptroller of the Currency, Federal Home Loan Bank Board (savings and loans), small business investment companies, Federal land banks, etc.

S. 2575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CERTIFICATE OF AUTHORITY TO COMMENCE BANKING

SECTION 1. (a) Section 5169 of the Revised Statutes of the United States (12 U.S.C. 27) is amended to read as follows:

"SEC. 5169. (a) After receiving a certificate and statement of facts from an association, as provided in section 5168, the Comptroller of the Currency shall (1) within ten days after the receipt of such statement (A) give written notice thereof to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the appropriate authority exercising supervisory functions over State banks in the State in which such association seeks to commence business as a national banking association, and (B) give public notice thereof in a newspaper of general circulation in the area in which such association seeks to commence business, and (2) if, within thirty days after the giving of such notices, request is made therefor by such Board, Corporation, authority, association, or other interested person, provide for a public hearing to be held in that part of such State which the Comptroller determines would be most directly affected by the issuance to such association of a certificate to commence business. As used in this section, the term 'interested person' means, any association, firm, or corporation, which resides or is doing business in the area determined by the Comptroller of the Currency to be the competitive area of such association in the event a certificate to commence business is issued to it.

"(b)(1) Any hearing with respect to the issuance to any association of a certificate to commence business, as provided in subsection (a), shall be commenced not less than thirty or more than sixty days after request therefor is made to the Comptroller of the Currency. Notice of any such hearing, together with the names and addresses of the directors and stockholders of such association, shall be given in a newspaper of general circulation in the area in which such association seeks to commence business at least once a week for the two successive weeks immediately preceding such hearing. The Comptroller shall also give notice of such hearings to all parties of interest known to his office. The length of any such hearing shall be determined by the Comptroller, or such person as he may designate to conduct such hearing, but all interested persons shall be given an opportunity to appear and give evidence.

"(2) For the purpose of any such hearing, the Comptroller of the Currency, or such person as he may designate to conduct such hearing, may administer oaths and affirmations, compel the attendance of witnesses, take depositions, and require the production of records or other papers which are relevant to the inquiry. For the purpose of any such hearing, the Comptroller or his designee may apply to any judge or clerk of any court of the United States within the State in which such hearing is held, to issue a subpoena commanding each person to whom it is directed to attend and give testimony, or to produce records or other papers material to the inquiry, at a time and place specified. Witnesses subpoenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

"(3) In cases of refusal to obey a subpoena issued to, or contumacy by, any person, the Comptroller of the Currency, or his designee, may invoke the aid of any court of the United States within the State in which a

hearing under this section is being held, in requiring the attendance and testimony of witnesses and the production of records or other papers. Any such court may issue an order requiring such person to appear before the Comptroller or his designee, there to produce records, if so ordered, or to give testimony by touching the matter in question; and any failure to obey such order may be punished by the court as a contempt thereof.

"(c) (1) On the basis of any hearing held under this section, the Comptroller of the Currency shall determine whether (A) the association has fully complied with all applicable provisions of law requisite to the commencement of the business of banking as a national banking association, (B) the hearings have verified the source of the money paid in as capital, and the general background and reputable character of each of the proposed directors of such association, (C) each of the prospective shareholders, before making payment on their stock, have been provided with a circular setting forth the names of the proposed directors and describing their backgrounds and business contacts, (D) the prospective shareholders and directors are acting for undisclosed principals or if they are participating in undisclosed agreements in making such application, (E) the sole purpose contemplated by the shareholders of such association in forming the same is to accomplish the legitimate objects contemplated by this title, (F) the best interest of the public and the local community will be served by the issuance of such certificate, and (G) the association is lawfully entitled to commence the business of banking. At the conclusion of such hearing, the Comptroller of the Currency shall (i) carefully consider the testimony and other evidence adduced at such hearing, together with the certificate and statement of facts transmitted to him by such association, and (ii) if not otherwise included in the evidence adduced at such hearing, obtain, consider, and incorporate as part of the record made at such hearing the written views of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the appropriate authority exercising supervisory functions over State banks in the State in which such association seeks to commence business as a national banking association, with respect to the granting or denying of a certificate to such association. Within a reasonable time after the conclusion of such hearing, the Comptroller of the Currency shall, on the record made therein and on the basis of any other relevant facts which may come to his attention, by order grant or deny a certificate to such association authorizing it to commence the business of banking.

"(2) Any order issued by the Comptroller of the Currency under paragraph (1) shall be final and conclusive unless within thirty days after the issuance thereof an appeal is taken to the United States Court of Appeals for the circuit in which the association seeks to carry on banking operations by filing with the clerk of such court a petition praying that the Comptroller's order be set aside or modified in the manner stated in the petition. Such appeal may be taken by any party to the proceeding. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Comptroller, and thereupon the Comptroller shall file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have jurisdiction, which upon the filing of the record shall be exclusive, to affirm, set aside, or modify in whole or in part the order of the Comptroller. No objection to such order shall be considered by the court unless the

objection was urged before the Comptroller, or unless there were reasonable grounds for failure to do so. The findings of the Comptroller as to the facts, if supported by substantial evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Comptroller, the court may order such additional evidence to be taken before the Comptroller and to be adduced upon the hearing in such manner and upon such terms as the court deems proper. The Comptroller may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendations, if any, for the modification or setting aside of the original order. The judgment of the court affirming, setting aside, or modifying in whole or in part any order of the Comptroller shall be final, subject to review by the Supreme Court of the United States upon certification or certiorari as provided in section 1254 of title 28, United States Code.

"(d) If a hearing is not requested, as provided in subsection (a), with respect to the issuance of a certificate to commence business to any association, the Comptroller of the Currency shall carefully examine the certificate and statements of facts transmitted to him, together with any other relevant facts which may come to his attention, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association or by such other means as he shall deem advisable and upon determining that (1) such association has fully complied with all applicable provisions of law requisite to the commencement of the business of banking as a national banking association, (2) an investigation has been made verifying the source of the money paid in as capital and the general background and reputable character of each of the proposed directors of such association, (3) the prospective shareholders of such association have been provided, before making payment on their stock, with a registration or offering circular setting forth the names of such proposed directors and describing their backgrounds and business interests, (4) the prospective shareholders and directors are not acting for undisclosed principals participating in any undisclosed agreements in making such application, (5) the sole purpose contemplated by the shareholders of such association in forming the same is to accomplish the legitimate objects contemplated by this title, (6) the best interest of the public and the local community will be served by the issuance of such certificate, and (7) such association is lawfully entitled to commence the business of banking, shall give to such association a certificate, under his hand and official seal, authorizing it to commence the business of banking. In making his determinations with respect to the granting or denying of a certificate to any association, the Comptroller shall obtain and consider the views of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the appropriate authority exercising supervisory functions over State banks in the State in which such association seeks to commence business as a national banking association.

"(e) In providing the bank supervisory authorities of the several States with information concerning applications by associations for certificates to commence business as national banking associations, as provided in subsection (a), the Comptroller of

the Currency shall request such supervisory authorities to provide him, on a reciprocal basis, with comparable information with respect to applications received by such authorities from associations seeking permission to operate as State banking institutions."

CONVERSION OF STATE CHARTER BANKS TO NATIONAL BANKS

SEC. 2. Section 5154 of the Revised Statutes of the United States (12 U.S.C. 35) is amended by striking out the proviso in the first sentence and inserting in lieu thereof the following: "Provided, That the Comptroller of the Currency shall request and consider the views of the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation before approving any such conversion, and no such conversion shall be approved if it is in contravention of State law".

OATH OF OFFICE FOR DIRECTORS OF NATIONAL BANKS

SEC. 3. Section 5147 of the Revised Statutes of the United States (12 U.S.C. 73) is amended by striking out "and in his own right" and inserting in lieu thereof the following: "in his own right, and not as an agent for an undisclosed principal".

EXCHANGE OF INFORMATION CONCERNING BANKS BY SUPERVISORY AGENCIES

SEC. 4. Section 10(f) of the Federal Deposit Insurance Act (12 U.S.C. 1820(f)) is amended to read as follows:

"(f) The Corporation shall furnish promptly and without charge to the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and any Federal Reserve bank a summary of information contained in any report of examination made on behalf of, and any report of condition made to it, with respect to any bank over which said Comptroller, Board, or bank exercises supervisory functions, and said Comptroller, Board, and bank shall furnish promptly and without charge to the Corporation a summary of information contained in any report of examination made by, and any report of condition made to it, with respect to any insured bank. The officer or agency entitled to receive such summary may at its discretion request initially a full copy of the pertinent report and materials supporting such report, and such information shall be furnished promptly and without charge. The Corporation may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a District bank), and may furnish to any such commission, board, or authority, reports of examinations made on behalf of, and reports of conditions made to, the Corporation."

PAYMENT OF COMPENSATION BY INSURED OR MEMBER BANKS FOR OBTAINING DEPOSITS

SEC. 5. (a) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended (1) by inserting "(1)" after "(g)", (2) by striking out the next to the last sentence thereof, and (3) by adding at the end thereof the following paragraphs:

"(2) No insured nonmember bank, or any officer, director, agent, or substantial stockholder thereof, shall pay or agree to pay a broker, finder, or other person compensation for obtaining a deposit for such bank, except as the Board of Directors may by regulation prescribe. For the purposes of this paragraph, any payment made by any other person to induce the placing of a deposit in such bank shall be deemed to be a payment of such compensation by the bank if the bank had or reasonably should have had knowledge of such payment by such person when it accepted the deposit.

"(3) Any violation by an insured nonmember bank of the provisions of this sub-

section or of regulations issued hereunder shall subject such bank to a penalty of not more than 10 per centum of the amount of the deposit to which such violation relates. The Corporation may recover such penalty, by suit or otherwise, for its own use, together with the costs and expenses of such recovery.

"(4) The Board of Directors is authorized by regulation to prescribe what shall be deemed to be (A) a payment of interest by a nonmember insured bank (which shall include an agreement to pay interest and may include payments to the depositor or any other person made by an officer, director, agent, or substantial stockholder thereof or by any other person if the bank had or reasonably should have had knowledge of such payment by such other person when it accepted the deposit), (B) a payment of compensation, and (C) a substantial stockholder, for the purposes of this subsection and regulations issued pursuant thereto, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this subsection and prevent evasions thereof."

(b) Section 19 of the Federal Reserve Act is amended by inserting the following paragraphs after the thirteenth paragraph thereof (12 U.S.C. 371b):

"No member bank, or any officer, director, agent, or substantial stockholder thereof, shall pay or agree to pay a broker, finder, or other person compensation for obtaining a deposit for such bank, except as the Board of Governors of the Federal Reserve System may by regulation prescribe. For the purposes of this paragraph, any payment made by any other person to induce the placing of a deposit in such bank shall be deemed to be a payment of such compensation by the bank if the bank had or reasonably should have had knowledge of such payment by such person when it accepted the deposit.

"Any violation by a member bank of the provisions of this section, or the regulations issued hereunder relating to payment of deposits and interest thereon and payment of compensation for obtaining deposits, shall subject such bank to a penalty of not more than 10 per centum of the amount of such deposit to which such violation relates. Such penalty may, by direction of the Board of Governors of the Federal Reserve System, be recovered by suit or otherwise by the Federal Reserve bank of the district in which the offending member bank is located, for its own use, together with the costs and expenses of such recovery.

"The Board of Governors of the Federal Reserve System is authorized by regulation to prescribe what shall be deemed to be (A) a payment of interest by a member bank (which shall include an agreement to pay interest and may include payments to the depositor or any other person made by an officer, director, agent, or substantial stockholder thereof or by any other person if the bank had or reasonably should have had knowledge of such payment by such other person when it accepted the deposit), (B) a payment of compensation, and (C) a substantial stockholder, for the purposes of this section and regulations issued pursuant thereto, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof."

(c) The provisions of this section shall be applicable to funds received by a bank after the date of the enactment of this Act, and to any subsequent renewals of a deposit.

REGISTRATION OF CERTAIN PERSONS PERFORMING BROKERAGE SERVICES FOR BANKS IN OBTAINING DEPOSITS

SEC. 6. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is further amended by redesignating subsection (h) as subsection (k), and by inserting after subsection (g) a new subsection as follows:

"(h) (1) Effective upon the expiration of 90 days after the date of enactment of this subsection, it shall be unlawful for any person to accept or agree to accept any commission, fee, or other compensation for brokerage service in connection with the obtaining of funds, aggregating more than \$100,000 in any calendar year, for deposit in any insured bank, unless such person has, in accordance with rules and regulations prescribed by the Corporation, filed an application with the Corporation and, upon the basis of such application, been issued a certificate of registration.

"(2) Any person willfully violating this subsection will be fined not more than \$5,000 or imprisoned not more than one year, or both."

REPORTS BY INSURED BANKS WITH RESPECT TO FUNDS HELD IN EXCHANGE FOR CERTIFICATES OF DEPOSIT

SEC. 7. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is further amended by inserting after subsection (h) (added by section 6) a new subsection as follows:

"(i) (1) At the discretion of the Corporation, any bank the deposits of which are insured by the Corporation shall make to the Corporation, in such form and at such times as the Board of Directors of the Corporation may prescribe, reports setting forth (A) the funds held by such bank in exchange for certificates of deposit by any one person, firm or corporation in an amount or amounts aggregating \$100,000 or more, (B) the name and address of the person or entity to whom any such certificate of deposit was issued, (C) the name and address of the person, if any, which provided brokerage service in connection with obtaining the funds in exchange for which any such certificate of deposit was issued, and (D) the amount such bank, or any of its officers, directors, agents, or substantial stockholders (as defined by such Corporation), paid, or contracted to pay, in connection with the acquisition and use of the funds in exchange for which any such certificate of deposit was issued.

"(2) A copy of each report made under this subsection shall be furnished promptly and without charge by the Corporation to (A) the Comptroller of the Currency, if the bank making the report is a national banking association or a bank operating under the Code of Law for the District of Columbia, and (B) the Board of Governors of the Federal Reserve System, if the bank making the report is not described in clause (A) and is a member of the Federal Reserve System.

"(3) Any bank which fails to make any report required by this section shall be subject to a penalty of not more than \$100 for each day of such failure, recoverable by the Corporation for its use."

AUDIT OF BOOKS OF BANKS THE DEPOSITS OF WHICH ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

SEC. 8. (a) Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is further amended by inserting after subsection (i) (added by section 7) a new subsection as follows:

"(j) Whenever such action is deemed warranted by the Board of Directors of the Corporation, the Corporation may require the financial transactions and records of an insured bank to be audited by a certified public accountant, in accordance with regulations prescribed by the Corporation, and the expense of any such audit shall be borne jointly by the Corporation and such bank. A report on any such audit shall be submitted to the Corporation and, if the bank is a national banking association, district bank, or State member bank, to the appropriate Federal bank supervisory agency. Regulations

prescribed by the Corporation under this subsection shall be designed to assure that any such audits will (1) reveal the accuracy and authenticity of a bank's records, (2) verify the adequacy and value of collateral for loans made by the bank, (3) demonstrate the ratio between secured and unsecured loans made by the bank, and (4) show whether the financial statement of the bank fairly presents its true financial condition. For each day that a report of the audit of any bank is not filed, as required by this subsection and any regulations issued thereunder, as the result of the failure of such bank to provide for such audit or to make available all records and documents necessary thereto, such bank shall be subject to a penalty of not more than \$100 which the Corporation may recover for its use. As used in this subsection, the term 'Federal bank supervisory agency' means (A) the Comptroller of the Currency in the case of a national bank or a district bank, and (B) the Board of Governors of the Federal Reserve System in the case of a State member bank (other than a district bank)."

PERSONS CONVICTED OF A CRIME PARTICIPATING IN MANAGEMENT OF AN INSURED BANK THROUGH STOCK OWNERSHIP

SEC. 9. Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended by inserting "(a)" immediately following "Sec. 19," and by adding at the end thereof a new subsection as follows:

"(b) Except with the written consent of the Corporation, no person who has been convicted of a crime involving moral turpitude for which a sentence of imprisonment for one year or more may be imposed shall hereafter directly or indirectly participate, through stock ownership, management or control, in the operation, management, policies or control of an insured bank. Any person willfully violating the provisions of this subsection shall be fined not more than \$5,000 or imprisoned not more than one year, or both."

ACQUISITION OF STOCK OF FEDERALLY INSURED BANKS

SEC. 10. (a) Section 7(j) (1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j) (1)) is amended by inserting before "the president or other chief executive officer" the following: "the purchasers, or their transferees, of the stock resulting in such control or change of control, and".

(b) Section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)) is further amended by redesignating paragraph (6) as paragraph (9), and by inserting after paragraph (5) the following:

"(6) It shall be unlawful for any person to extend, obtain, or maintain credit for the purpose of purchasing the shares of the capital stock of any insured bank (including any association being organized for carrying on business as a national banking association), if the stock of such bank is used as collateral to secure such extension of credit, and (A) the amount of the credit extended exceeds 33 1/3 per centum of the purchase price of such stock, and (B) as a result of the purchase of such shares, any person will acquire control of such bank. This paragraph shall take effect upon the expiration of 30 days after the date of its enactment.

"(7) Whenever a change occurs, in one transaction, involving 10 per centum or more of the outstanding voting stock of any insured bank such change shall be deferred thirty days for a review of the factors involved by the appropriate Federal banking agency. The transaction may be consummated immediately upon approval by the appropriate Federal banking agency.

"(8) Whoever willfully violates the provisions of this subsection shall be fined not more than \$5,000 or imprisoned not more than one year, or both."

FALSE STATEMENTS OR OVERVALUATION OF SECURITY FOR PURPOSE OF OBTAINING LOAN FROM AN INSURED BANK

SEC. 11. Section 1014 of title 18, United States Code, is amended by striking out "or a Federal credit union," and inserting in lieu thereof "a Federal credit union, or a bank the deposits of which are insured by the Federal Deposit Insurance Corporation."

STUDY WITH RESPECT TO REORGANIZATION OF FUNCTIONS EXERCISED BY FEDERAL BANK SUPERVISORY AGENCIES

SEC. 12. The President shall cause an immediate joint study to be undertaken by the Secretary of the Treasury and such other officers of the Government as he shall designate to review existing legislation and administrative practices under which the various departments and agencies of the Government exercise supervisory functions with respect to National and State banking institutions, federally insured savings and loan associations, federally chartered investment companies, and such other federally supervised financial institutions as may be appropriate, with a view to determining whether a reorganization or consolidation of such functions is necessary or desirable for the efficient discharge of such functions in the public interest. Such study shall include, among other relevant matters, a consideration of the desirability of (1) the establishment of a coordinating committee on Federal bank regulations, (2) providing a central clearinghouse for all Federal banking reports, and (3) the consolidation in the Treasury Department of all functions with respect to the examination of banking institutions under Federal supervision, and the furnishing by such Department of the results of such examinations to other interested agencies of the Government, including any possible criminal activities to the Federal Bureau of Investigation. Findings and recommendations resulting from such study shall be reported to the President and to the Congress at the earliest practicable date.

Mr. LAUSCHE. Mr. President, several months ago I introduced a bill calling for a study of the conduct of the banks of our country.

At that time I stated that, if the study revealed no weaknesses, no harm would be done by the investigation. However, if the study revealed infirmities in banking operations, good could come from it. That bill is pending in the Committee on Banking and Currency.

I feel very deeply on this subject. What the Senator has said coincides basically with my thinking on this subject. I ask unanimous consent that my name may be added as a cosponsor of the bill.

Mr. McCLELLAN. Mr. President, I am very happy indeed to welcome the Senator from Ohio as a cosponsor of the bill. I know of his interest in this legislation and in the problems that have arisen in the banking field. I am most happy indeed to have him join as a cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I want to state to the distinguished chairman of our committee that I am proud to be a cosponsor of this legislation.

I take this opportunity to commend the distinguished senior Senator from Arkansas, and to make an observation on the floor that I have made publicly and privately many times.

I was deeply impressed with the consideration, the thoughtfulness, and the courtesy that have always been extended by the senior Senator from Arkansas as chairman of his committee with relation to any matter which comes before the committee and with relation to every witness.

I was further impressed in the hearings with the great care that the chairman took to make sure that, during this investigation, under no circumstances would any doubt be cast upon the integrity of the banking system of our Nation.

The chairman brought this out time and time again and conducted the hearings so that there would be no question in the mind of anyone concerning the basic soundness of the banking system of our country and the basic honesty and integrity of those engaged in banking in our Nation. It was demonstrated that bringing to light the few exceptions which exist throughout the Nation and trying to remedy them would mean the strengthening of our banking system as a whole.

I commend the distinguished Senator. I am very proud to be a member of his committee. I am highly pleased to be a cosponsor of the legislation.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from Connecticut.

I say to the Senator from Connecticut that I am most grateful for his complimentary references to my services as chairman of the committee.

I emphasize what the Senator has said with respect to the banking industry and the banking institutions of this Nation. They are fundamentally sound. There may be an occasional, isolated instance, as we have discovered, in which certain practices ought to be corrected and prohibited in the future. These concern practices which would reflect upon banking institutions, or any other institution, if such practices were to become prevalent throughout the industry. However, they have not become prevalent fortunately. We considered, from the time we started the hearings that the banking structure of this Nation is sound and worthy of every bit of confidence in it.

We have found some areas where we think legislation is needed. The proposed measure will go to the Banking and Currency Committee for hearings, which I am hopeful will be held—and I am sure they will be—where witnesses who are competent and expert in the field will give the committee the benefit of their consent and advice, and the committee, after weighing the measure and the comments and suggestions upon it, can report back to the Senate with its recommendations a bill, which I am confident we shall all be able to support, plugging the few loopholes we have found which need to be repaired or stopped, so that some of the things which have occurred, although they are isolated instances, apparently, will not recur.

I am most grateful to have had the cooperation of the distinguished Senator from Connecticut, and to have him join as a cosponsor of the bill.

Mr. HARRIS. Mr. President, I believe the banking bill introduced today by the distinguished Senator from Arkansas [Mr. McCLELLAN] will improve and strengthen our great American system of private banking, and I am proud to be a cosponsor of it.

As a member of the Permanent Senate Subcommittee on Investigations, I participated actively in the banking inquiry conducted earlier this session under the supervision of our distinguished chairman, the able Senator from Arkansas [Mr. McCLELLAN]. I commend the chairman highly for the depth and thoroughness of the inquiry and for the fairness of his actions. He made it clear from the outset that the purpose of the inquiry was to examine the industry's ailments and prescribe cures—not to inflict new injuries. He took strong precautions against any action on the part of the subcommittee which might have an adverse effect on the industry, and he protected the interests of existing banks at all times.

Testimony at the hearings clearly showed that, while the banking industry is basically sound, it has been troubled by certain questionable practices and there has been, in some instances, inadequate supervision and a lack of coordination by the Federal supervisory agencies.

In a special written report to Oklahoma bankers last spring and in a speech a few weeks later at a State bankers' convention, I recommended the restriction of money brokers, tighter surveillance when ownership of a bank changes, closer coordination between Federal agencies, review of the present chartering policy and safeguards against persons of criminal record or unsavory character gaining control of banks.

I am, of course, pleased that these items are included in the bill introduced today by the subcommittee chairman. As the inquiry progressed, other loopholes in the present law were uncovered, and provisions have been included in this bill to close those loopholes.

Our aim has been to protect the public. The hearings have already caused some wholesome administrative improvements. But other legislative improvements are required.

Mr. President, while there is no question of the overall soundness of our great system of private banking, I am concerned about the recent increase in bank failures, and I know other Senators have been concerned. After watching one bank after another teeter and fall—there were 10 bank failures during 1964 and the early part of 1965—we would be negligent if we sat idly by and made no attempt to provide better protection for the banking public.

Thanks to the leadership of our subcommittee chairman, the Senator from Arkansas [Mr. McCLELLAN], we have not sat idly by. We have not been negligent. We have sought out the causes of these bank failures, and we have recommended action which we believe will strengthen the safeguards against future failures.

I join with the distinguished Senator from Arkansas in saying that since this

bill in no way harms or harrasses the honest, conscientious banker—a category which includes the vastly overwhelming percentage of them—and since it offers added protection to the public, I believe it is good, sound, needed legislation, and I urge its passage.

I also pay tribute to our excellent and devoted staff, headed by Mr. Jerome Adlerman; and again, I commend our chairman for the service he has once more rendered to the Senate and to the country, in this respect as in others.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from Oklahoma. I am very grateful for his references to the work of the subcommittee and to my services as chairman. I am happy to have him join with us in sponsoring this legislation. He and the other members of the subcommittee were most helpful in the course of the hearings. They were in attendance, they helped to develop the facts, and they helped to bring out the revelations which indicated the need for such legislation. Without their assistance, we could not do the kind of job and render the service that the country needs. It was through the teamwork which I have been very fortunate to have on the part of my colleagues on the subcommittee that we were able to make these recommendations and bring these facts to the Senate for its consideration and guidance.

Mr. MUNDT. Mr. President, as the ranking Republican member of the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, I have joined our distinguished chairman as a cosponsor of this banking bill.

There have been many pieces of proposed legislation introduced in both the House of Representatives and the Senate on the subject of banking in this and many previous sessions of the Congress. We know, too, that the Standing Rules of the Senate provide for a Committee on Banking and Currency which carefully considers proposed legislation in the areas of, amongst others: First, banking and currency generally; second, deposit insurance; third, the Federal Reserve System. Certainly, it is not the purpose of the Permanent Subcommittee on Investigations to usurp the functions of that legislative committee but, as Senator McCLELLAN so aptly said, this investigation was conducted with the approval and cooperation of the distinguished chairman of the Senate Banking and Currency Committee, Senator A. WILLIS ROBERTSON; and, I might add, after consultation and with the full accord of the distinguished ranking minority member of that committee, Senator WALLACE F. BENNETT. I might also point out that the subcommittee's current operating resolution, Senate Resolution 54 of the 89th Congress, 1st session, clearly gives it the authority in keeping with the committee's traditional duty and responsibility to inquire into improprieties, waste, and inefficiency in Government operations. This, obviously, encompasses the use of Federal bank insurance as well as our look-see at the

regulatory banking agencies, to wit: the operations of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve System.

I join also in the commendation of the chairman for the manner in which the hearings were held. We were confronted with a delicate and ticklish situation, because much of the success of the banking industry in this country depends upon the psychology and the confidence of the depositors and of the general financial community—those who are served by the banks. It is always difficult to go into a situation where some banking practices and some banking personnel are being questioned, for fear that there might develop a psychology that banking, per se, is bad or is an evil industry, or is not properly being handled.

But by prudent, persistent, and careful procedures, the chairman created an atmosphere in the hearings such that we could weed out the elements which were bad for publicity and needed correction, while, at the same time, reassuring the general public that the banking industry of this country is in good hands, that it is being adequately protected, and that, in the main, precautionary steps and regulatory measures prevail which safeguard those who deposit their money in the banks or do business with them.

Unfortunately, as in any enterprise, sometimes evil influences work themselves into a perfectly fine and legitimate situation. It became evident early in the hearings that some shysters, some persons with nefarious purposes, some evil characters had weaseled their way into the banking business in certain areas, and that certain of our banking procedures were inadequate to prevent such occurrences, or that inadequate diligence had been manifested by certain administrative agencies to adequately protect the public.

The results of the subcommittee's investigation into closed banks indicated clearly that there were flagrant abuses in the operations of those banks by the banks' responsible officials—often selfishly motivated—which, more often than not, resulted in the particular bank's failure. While our hearings did not extend beyond a few chosen national banks or banks with Federal insurance, the report of our subcommittee staff, which looked at several others, shows that the field investigation was conducted in sufficient depth to indicate a very similar pattern of conduct so as to mount growing concern to the point that some corrective measures have become necessary. Thus, this proposed legislation, which is not intended to effect more regulatory controls per se, but is designed to correct such obviously glaring abuses as were uncovered in the course of our hearings.

I believe, Mr. President, that at this time it would be beneficial to point out the general pattern followed in these bank closings and then illustrate the problem area by citing two of the more

notorious examples our investigation uncovered.

The modus operandi of these operators who have slipped in to the field of honest banking endeavors is somewhat as follows:

First. Easily gained control of new or existing banks by individuals, or groups acting in concert, due to either inadequate Government inquiry or misrepresentations by such organizers, or both—sometimes using side or secret agreements and, more often than not, making no hard cash downpayment. In this regard, the stock of the newly acquired bank was frequently used as collateral for the loan to gain control by the organizers.

Second. Such organizers and their associates were frequently of questionable repute, some with felonious criminal records. Many were of questionable financial status, most had no previous banking experience.

Third. Subsequent depletion of the acquired bank's assets by the new purchasers, through loans to themselves or their confidants, by purchase of high cost certificates of deposits through money brokers or commission merchants in order to keep functioning, through loans made through inflated, and sometimes outright fraudulent collateral, all of these coupled with inexperienced or sometimes intentionally deceptive bank management.

Fourth. The resultant failure, or costly reorganization, of the bank in question.

Correspondingly, the hearings revealed a certain laxity on the part of the Comptroller of the Currency in granting national bank charters without adequate inquiry. Also, the Comptroller and his representatives did not supervise the banks in question with the degree of required care or, in the alternative, did not take positive action once a "bad apple" was found and a borderline situation, or much worse, was detected through periodic bank examination.

Granted that it is a delicate operation to decide whether to allow a faltering bank to continue to operate, with the hope of pumping new blood into its financial lifeline, rather than to damage public faith and confidence in a given community and its environs. However, in the instances that our subcommittee found, the banks were hopelessly beyond repair, these were cases of throwing good money after bad, and yet Comptroller of the Currency James J. Saxon did not act until circumstances were overwhelmingly against keeping the bank open any longer.

Mr. Saxon took office on November 16, 1961, and it is significant to note that 575 national bank charter applications have been approved in calendar years 1962, 1963, and 1964 while in the 3 years immediate to his appointment—calendar years 1959, 1960, and 1961—there were only 129 approvals of such applications.

A good example of what our subcommittee found in this area can be demonstrated from a brief look at the hearings concerning the closing of the Brighton National Bank, Brighton, Colo. Of the proposed \$500,000 capitalization for this

bank, \$488,000 was borrowed from the 17th Street Bank, Denver, Colo., on April 22, 1963, the day that the 17th Street Bank opened its doors for business. The five borrowers included Mr. James W. Egan—\$306,525; Egan's secretary, Mrs. Frances Kunkler—\$31,155; Mr. Hugh Best, to be Brighton's president—\$50,250; and two others in similar amounts of \$50,250. Surprisingly, though, Mr. Egan was not listed with the Comptroller of the Currency as one of the bank organizers but, instead, had a side or secret agreement to assume the majority control once the bank was chartered. While this may well have been an act of deception on Egan's part, the Comptroller's representatives did little to determine the real interested party in this contemplated operation. The result was that only approximately 15 percent of the Brighton capitalization was in hard cash while the organizers had represented the opposite to the Comptroller, that 85 percent of their proposed capitalization would be in this form. Significantly, the Comptroller's representatives testified that they could have protected themselves against this form of deceit, but did not.

Additionally, the Comptroller's representatives, including two Deputy Comptrollers, testified that they did not have any character reference reports as to any of the organizers, no sworn statements concerning the organizers' financial worth, and that no questions were asked of the organizers as to whether they had entered into any side agreements. Further, although one interested party had asked for a hearing on this charter application, and several neighboring banks indicated opposition to an additional bank in the Brighton area and another national bank charter application had been submitted by a very responsible organization, the charter was granted by Mr. Saxon without conducting any public hearing or any form of adversary proceeding. In fact, testimony indicated that "less than 12" such hearings had been conducted for any national bank charter applications during Mr. Saxon's tenure in office.

The fate of the Brighton National Bank is well known. Faced, per agreement with the 17th Street National Bank, with keeping a compensating balance of \$500,000 with the latter institution; faced with increasing demands by the 17th Street Bank for the \$488,000 to be repaid; faced with the need for money which was acquired through high cost certificates of deposit, through money brokers, coupled with very questionable management operations; the bank soon became involved with confidence men of the type of Richard Murphy Horton, ex-San Quentin felon. It might be said that James W. Egan seemingly did not mind such association, because the hearings record is replete with subsequent fraudulent loans, including counterfeit securities, varying from \$200,000 to over \$1 million, in which both Horton and Egan and others participated.

Egan, Best, and Horton were, on August 5, indicted by a Denver Federal grand jury at the termination of our hearings, for crimes associated with their

nefarious banking activities. In summation, the case of the Brighton National Bank was well stated when I asked Certified Public Accountant Robert L. McGee, a subcommittee witness who was familiar with the Brighton operations, whether the bank should have been closed in the summer of 1964. Mr. McGee answered:

I will say this much: I think the bank should have been closed before it opened.

Another illustration can be shown from our hearings concerning the operations of the now defunct San Francisco National Bank, which had as its president one Don C. Silverthorne, who testified before the subcommittee.

This bank opened for business on June 1, 1962, and, gradually, through a course of events, including a series of improprieties by Mr. Silverthorne, the bank was ultimately closed as insolvent by Comptroller Saxon on January 22, 1965, and the FDIC was appointed receiver.

Mr. Silverthorne's own activities were the subject of considerable interest to the subcommittee and are good examples of some of the evils this legislation would guard against. The transcript shows that during 1963 and 1964 Mr. Silverthorne deposited some \$2,559,962.08 to his own account and that of a wholly owned subsidiary, the Wakita Corp. Approximately the same amount was disbursed during this period. However, the FDIC review indicates that a large part of the deposits in the aforementioned accounts was shown to be the proceeds of various loans made to borrowers by the San Francisco National Bank; loans that were made principally at Silverthorne's direction to enable the borrowers to buy stock in the bank. However, this stock was Silverthorne's own stock, valued on the market considerably below his selling price, with the result that he profited approximately \$400,000 in this type of operation. Frequently this stock was sold as a condition to Silverthorne making the loan, usually of a high risk nature in the first place. These deposits also reflected that he received some \$211,600 in loan fees from San Francisco National Bank borrowers, while another \$392,860 was received through a fee-splitting device with a Mr. William Bennett, through a Bennett-owned company known as the Suisun Properties. Thus, whenever a potential large borrower came to Silverthorne, but without an adequate financial statement, Silverthorne would refer him to Bennett, who would guarantee the loan in return for a sizable fee. In this way, the FDIC discovered that some \$672,700 in loan fees was paid to Suisun Properties, with roughly one-half of the same being paid into the Silverthorne accounts.

Our hearings disclosed that Silverthorne engaged in other multiple improprieties in conducting the lending operations of the San Francisco National Bank. In addition to diverting the proceeds of loan fees and commissions to his personal accounts, he engaged in private business transactions with borrowers, frequently lending the bank's funds to carry out his personal deals in the jewelry business and in the legalized gambling field in Nevada.

While the evidence indicated that the San Francisco National Bank failed primarily due to the improper and dishonest management of its principal officer, Mr. Silverthorne, who appeared to have carte blanche control of the destiny of this bank, it should be noted that the Comptroller and his subordinates were not without fault in the matter. Bank examinations were conducted by the Comptroller's examiners on December 12, 1962; May 20, 1963; January 6, 1964; and May 6, 1964. Each examination was growingly critical of the bank's operations in regard to status of loans, inadequate credit information, heavy build-up of certificates of deposit, lax management, and possible violations of the banking laws. Yet, the only action taken by the Comptroller's Office after the first three examinations was to send a letter to the Board of Directors requesting a correction of the conditions. And, when the fourth examination report revealed the bank's serious condition, plus the activities of Mr. Silverthorne, as previously mentioned, the Comptroller's Office merely had a conference call between Silverthorne and Saxon and their associates; a meeting with the board of directors wherein the Comptroller's representatives directed corrective actions; and a meeting between Silverthorne and the Comptroller's officials regarding Silverthorne's personal activities.

Significantly, the Comptroller's office did not inform the FDIC or the Federal Reserve of the seriousness of the bank's status. And, the Comptroller's bank examiner, Mr. Victor E. Del Tredici, who had conducted all four investigations, wrote a letter to Regional Comptroller Larsen on June 22, 1964, after the fourth examination, enclosing a report that Del Tredici addressed to the U.S. attorney located in San Francisco, detailing the irregular transactions uncovered in the latest examination in which Del Tredici considered the irregularities to be violations of the law. Regional Comptroller Larsen dispatched the letter and report-enclosure to Comptroller Saxon on June 25, 1964, for disposition, according to the record of the hearings. However, also according to the hearings record, the record was not transmitted to the Department of Justice in Washington, D.C., until February 26, 1965, after the bank was declared insolvent and at least a month after our subcommittee commenced its investigation of this bank, and some 8 months after the examiner had written the report.

This, then, is the sordid background of this legislation. The situation is one that justifies concern but not panic or alarm. Motivated by this concern and a desire to close the loopholes in the existing law, Senator McClellan and his associates have drafted the bill that is being introduced today. We have endeavored to set forth a responsible view toward the problems of the banking community, and I do think the record of our proposals, taken in totality, is one to suggest that we are responsive to these problems while at the same time fulfilling our paramount commitment to the protection of the public interest.

The ultimate answer, of course, to ethical problems in any industry is honest people in an ethical environment. I am convinced that we have such individuals presently in our banking system. Our purpose is to improve the environment and take the necessary precautions to keep undesirable elements out. In this respect, we are joined, I am sure, by the members of the banking community themselves, for they have long recognized the necessity, due to their unique position of trust, of being like Caesar's wife "above suspicion."

With this legislation we have taken steps to provide this environment by prohibiting unauthorized participation, even indirectly, in the management of policies of an insured bank, on the part of persons convicted of crimes of moral turpitude and by providing criminal sanctions for the violation of regulations restricting secret agreements.

We have, in addition, attempted to provide for more efficient and effective administration by the Federal banking agencies through new and firmer controls in such areas as falsification of documents and the willful inflation of assets and appraisals in banking transactions, the borrowing of money to organize a national bank or to acquire the controlling interest in a federally insured bank, and the activities of dealers, commonly called money brokers, in certificates of deposit.

I will not attempt at this time to further outline the provisions included in the proposed legislation. I believe that my able colleague and chairman of the Permanent Subcommittee on Investigations, Senator McCLELLAN, has very ably explained the bill.

Undoubtedly, all of us may have some reservations concerning this legislative package. For example, I can think of the possibility of more emphasis to be placed on a full review of new ownership of an existing bank, along with the chartering of a new bank. I can also think of the possibility of too lengthy a review procedure involved in the application for a new charter, a procedure which could provide a handy tool for competitors to exclude the introduction of a much-needed bank into a particular locale. I also feel that it might be well to provide for the auditing of the financial transactions of the Comptroller of the Currency, in his official position, and of his organization by the General Accounting Office—much as is done with the FDIC, in accordance with principles and procedures applicable to commercial corporate transactions, pursuant to title 12, United States Code, section 1827(b). Perhaps additional safeguards should be provided to insure the fact that the provision authorizing independent audits is not abused. However, I agree with Senator McCLELLAN who has said that this bill will serve as a vehicle for consideration of legislation in this field. Certainly, then, when it is brought on for legislative hearing by the Senate Committee on Banking and Currency, all interested parties, including but not limited to the American Banking Association; Independent Bankers of America; Association of Registered Bank

Holding Companies; bankers, large and small, Federal and State; depositors; and just plain "John Doe Citizen" can be heard—to present their views, with the end in mind to develop good, constructive legislation on this subject.

In closing, let me state my renewal of faith in the American banking system, which historically has played such an important role in fostering our country's economic strength. As Senator McCLELLAN has indicated, there are some 14,000 banks and 4,400 savings and loan associations in our country today and, by and large, they are doing a most commendable job in their financial functions. However, there has been an upturn in bank failures of late which prompts me to repeat the words I used at the close of the subcommittee hearings on May 13, 1965, when I said:

I think we have the best banking system in the world. I am entirely dedicated to the concept of the dual banking system, but we don't want to leave the scene so broad that bad apples can get into the situation Situations of this kind (referring to the operations of confidence men in milking the Brighton National Bank) in some way should be tightened up so that the public does not get hurt, so that the whole reputation of the banking fraternity does not get sullied by the fact that situations of this kind be repetitious.

I submit that this proposed legislation would serve this purpose and provide the proverbial "ounce of prevention that is worth a pound of cure."

The chairman and I have discussed this legislation many times. We do not offer it as the total and optimum cure-all of the problems, but we do offer it as indicating a course of action which we believe should be taken in order to plug some of the loopholes through which these crooked operators have been making a success, financially, and destroying the financial status of a great many honest people who have been doing business with banks. We delineated in some detail in the hearings some of the specific occurrences. I am sure that when the appropriate committee of the Senate which deals with the legislative aspects of the matter receives our legislative proposals, they will call in, as they should, representatives of the banking industry, representatives of the Government who are in charge of administering it, all elements of the great dual banking system, private individuals, and everyone else who wishes to be heard, to try to improve the situation.

I emphasize that we introduce this legislation as we initiated the hearing, with the stated realization that banking generally is in good hands, that the American system of private banking is the best in the world, and that there is no cause for panic or distrust generally in the field of banking in this country. As we grow, we learn. We find that there are some reasons in fact why existing legislation on the statute books provides loopholes through which schemers have been devising patterns of performance on behalf of themselves to the disadvantage of people in the area.

We suggest this legislation as a sort of ounce of precaution to provide a pound

of salutary dividends for the financial community.

I salute the chairman. I believe that this may turn out to be one of our most fruitful and helpful clearings, as we move about the sometimes disagreeable job assigned to the committee of having plenary authority to investigate every activity of the Government dealing with public funds and the public trust.

I believe that we are making a suggestion which is helpful, and I am happy to join the hard-working, successful, positive, and friendly chairman in introducing this legislation.

Mr. McCLELLAN. I thank the distinguished Senator from South Dakota. I appreciate his gracious references to me regarding my labors and efforts on the subcommittee. I take this occasion to say that the subcommittee comes as near to working in a nonpartisan atmosphere as any committee on which I have ever served while I have been in Congress. The task we usually have to perform is, and should be, nonpartisan. Sometimes we may have differences of opinion, but as to the general, overall objective and jurisdiction over the subcommittee, the task it usually has, it carries through into areas where no real politics should be involved.

Whatever success the committee has had is due to the cooperative spirit of many of the members of the subcommittee, and especially is it due in large measure to the fine cooperation of members of the minority party.

The Senator from South Dakota and I have worked together in this field for a number of years, and there are not many occasions when one could have detected which one was a Democrat and which one was a Republican so far as our work, cooperation, and activities on the subcommittee have been concerned.

In my judgment, Mr. President, that makes for better confidence. Of course, there are fundamental issues on which we disagree, and on matters of politics, which is properly so; but, when we are undertaking to eradicate waste and inefficiency in Government, to improve our laws, and to strengthen them in an area which touches the public interest and the general welfare, as in the banking industry, in order to protect the people of this country, the patrons of the banks of the country, to protect them from exploitation, to protect them from the wiles and depredations, so to speak, of the fast-buck artists, those who would exploit the bank when they got control of it and would divert it to their own personal gain and often illicit profit, there is not much room for partisanship. There is a job to be done, a job to serve all Americans as all good Americans would wish the job to be done. I am happy to say that we have had that kind of cooperation, and I am exceedingly grateful for it.

Mr. MUNDT. I thank my chairman, first of all, for his gracious remarks; and, second, for reinforcing the feeling on the Republican side that we operate as a bipartisan or a nonpartisan team in these investigatory procedures.

I have never found the slightest disposition on behalf of our chairman to

try to protect or cover up, or to make it easier for someone we happen to be investigating if he happens to be a member of the chairman's party; nor have I ever seen him try to tighten up the screws a little harder if the offender happened to be a Republican.

What we are trying to do, in the very nature of our work, is to weed out malfeasance, dishonesty, or disloyalty, wherever it occurs—or, merely inadequate administration, bureaucratic bungling—whatever it is—which impedes the public interest.

I believe that a part of our success is due to the fact that our chairman has taken a constructive attitude toward the difficult job of how to staff a committee of this kind.

I happen to be a member of the joint committee now studying the reorganization of Congress. We have heard many witnesses and many complaints as to how staffs are created and directed in Congress.

Many minority Members, especially in the other body, have insisted that they are not given adequate consideration in the selection of a committee staff.

As one who has long served with our delightful chairman, and who has served as the ranking Republican member of the committee for a considerable period of time, all I can say is that, I am happy to say that the Senator from Arkansas [Mr. McCLELLAN] and I have never had any difficulty in this area. He consults us when the staff is being formulated. I have heard him say publicly to the staff, and privately in my presence, that "this is the committee staff, and not the McClellan staff."

I am not sure who the Republicans are on the staff, or who the Democrats are. I am sure that he feels perfectly free to call on any member of the staff for information or assistance.

I believe that is the way it should be. That is one of the reasons why we have been able to acquire a competent staff, a diligent staff, one dedicated to the objectives of the committee, and one which works equally with all members of the committee, whether they are Republicans or Democrats, and which works not only with the senior members of the committee, but also with members who have come into the committee more recently.

I salute our chairman as well for the manner in which he has administered what admittedly is a difficult problem in Congress—that is, the procedure of selecting a staff in which all the members of the committee can have confidence, and selecting a staff which is not at war within itself between minority and majority members, but a teamwork staff which is equally answerable to all members of the committee.

Mr. McCLELLAN. I thank my friend the Senator from South Dakota. I honestly do not know the political complexion of the staff. Perhaps I should. But, as I tried to emphasize earlier, we are concerned with doing this difficult job and getting results. So long as we do that, I shall not be inquiring very often into the political label or complexion of our employees.

POLICE BRUTALITY

Mr. LAUSCHE. Mr. President, in the September 27 issue of U.S. News & World Report, there appears an article written by J. Edgar Hoover entitled "Police Brutality: How Much Truth—How Much Fiction?"

The introductory paragraph, which I assume was written by one of the writers of U.S. News & World Report, states:

Get the facts, says J. Edgar Hoover, and you discover that charges of police brutality are mostly fake. In fact, he adds, misuses of police power "are rapidly becoming issues of the past." Reason: firm official action to deal with such misuse. The FBI head says the rash of charges against police is to some extent a Communist tactic designed to undercut law enforcement.

Mr. President, I will read certain excerpts from the article. The entire article has already been placed in the Record by the Senator from Wyoming [Mr. SIMPSON]:

Many complaints of police brutality, however, are never officially lodged with the FBI or any other law-enforcement organization. They are indiscriminately made to representatives of various news media, shouted from the soapbox at a street corner rally, proclaimed from the podium and often from the pulpit, and circulated through printed pamphlets.

Rarely is proof offered to support these blatant accusations, which are designed mainly to incite the listener or the reader. Many riots or near riots which have occurred in this country in recent months have been preceded by such charges.

Charges of police brutality also have been heard with great frequency before, during, and after the drunken orgies and youth riots which have occurred at some of our resort areas in recent years.

Allegations of police brutality have been supported by still and motion pictures which invariably show one or more policeman subduing or carrying away some participant in the disorder. Rarely do these pictures reveal the full story—the unprovoked attacks on the officers involved which necessitated their use of force.

Mr. Hoover goes on to state:

Not only do the Communists directly exploit unrest, but they spread their germs of subversion through front groups and dupes. This tactic has become increasingly evident in recent demonstrations by young people where police have been charged with brutality in handling picket lines or demonstrations involving racial matters or protests against U.S. involvement in South Vietnam.

Communist adherents are schooled in methods of intimidating law enforcement. Whenever they are confronted by a law-enforcement officer, the word brutality is foremost upon their lips. It is their aim to humiliate, exasperate, and provoke the law-enforcement officer in an effort to prevent his judicious and calm enforcement of the laws he is to uphold.

Mr. Hoover continues:

The conflict resulting from the fake charges of police brutality is a problem which must be solved, for it is eroding the already declining respect for law and order in our great Nation.

There is a constant barrage of brutality allegations and obvious attempts by certain elements to control the police through "citizen review boards" to hear charges, many of them fabricated. It is a wonder that men are willing to don a policeman's uniform and put their lives on the line every time they step out onto the street.

In the article there is a narration of the investigations made by the Federal Bureau of Investigation. The article states:

In fiscal year 1963, there were 1,376 allegations of brutality received by the FBI. Investigations of these complaints resulted in indictments being returned in 12 of the cases involving 20 officers. Convictions were recorded in three cases involving four officers.

In fiscal year 1964, there were 1,592 complaints of police brutality. Sixteen of these cases resulted in indictments against 28 officers, and convictions were recorded in 2 cases involving 4 officers.

Fiscal year 1965 brought 1,787 allegations of police brutality with indictments being returned in 13 cases involving 23 officers. Convictions resulted in five cases involving six officers.

Thus, out of 1,787 charges of police brutality in 1965, 5 cases were proved to have involved actual police brutality.

This article is worthy of the deepest study. It has been made by the Federal Bureau of Investigation, contemplating an ascertainment of the facts. These investigations show the utter lack of foundation of charges that are constantly being made against the policemen of our country.

I have read in the past about instances in which policemen were pelted with tomatoes, stoned, spat upon, provoked, had their badges torn from their uniforms, and frequently their coats torn from their bodies. Yet, they stand there suffering the abuse and the attacks of men who frequently are involved in demonstrations and riots, fomented and perpetuated by enemies of our Nation, and friends of the Communist causes of the world.

I believe the time is at hand when good citizens must marshal to the forefront and begin asserting their confidence in the law-enforcement officials of our Nation. A failure to do so gives added encouragement to the provocateurs, guised in innocent dress, but having within themselves hearts and souls that carry hatred for the freedom principle of our Nation and sympathy for the despots and totalitarians of the world.

Mr. President, in Columbus, Ohio, there is a newspaper known as the Columbus Dispatch. It has carried two editorials dealing with this myth of police brutality charges.

These editorials excellently analyze the Hoover report and are worthy of being placed in the Record. One of the editorials was published under the headline "J. Edgar Hoover Shatters Myth of Police Brutality." In summarizing Mr. Hoover's report, the editorial of September 24 states, relating to Mr. Hoover's report:

For instance, he reports that in 4,755 allegations of brutality made against police in the past 36 months, only in 71 instances did the evidence support an indictment of the accused officers. Of these only 14 were convicted.

I wish to emphasize that. There were 4,755 charges, and only 14 convictions were returned either by the juries or by the judges that heard the charges.

The editorial further states:

In most instances the charges of brutality were found to be deliberate fabrications aimed at intimidating police officials and harassing the FBI.

Director Hoover believes false charges against police as damaging as these unwarranted and unsubstantiated instances of faked "brutality" should exact punishment as readily as that meted out to the rare officer who violates his responsibility.

Two days earlier, on September 22, the Columbus Dispatch published an editorial entitled "Students Kick Off Newest Exploitation of Big Lie." I shall not read excerpts from this editorial; however, it is predicated upon a story that originated at the Berkeley campus of the University of California, foretelling the demonstrations that are to be had in California in the coming month of October. The propagators or fomenters of the demonstrations that are to take place have publicly announced that they will physically interfere with the movement of troops, military equipment, and military property from the warehouses in California to the ports on the Atlantic coast. The editorial points out that the purpose of the promoters of the program of demonstrations and riots is deliberately to provoke arrests.

Mr. President, how far can we go in tolerating this practice in our country? How long can we suffer the placement of lawlessness and disorder over the dignity and sovereignty of law? What example are we setting for our youth? Does it not follow that when we tolerate these conditions and give credence to the charges of police brutality, we are providing the stimulus for the very disorders and riots and lawless demonstrations that we are experiencing?

I commend the editor of the Columbus Dispatch for his excellent editorials. I thank J. Edgar Hoover for the report which he has made on this subject. Finally, I hope that the equanimity with which we are moving and the indifference that we are showing to what is happening will come to an end.

Mr. SIMPSON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield to the Senator from Wyoming.

Mr. SIMPSON. I express my appreciation to the distinguished Senator from Ohio for the excellent contribution he has made to this important subject. I deeply appreciate his reference to my statement which appears in the Record of September 21. I am happy and proud to be a cosponsor with him of the resolution concerning the attitude of those to whom he referred with respect to the sabotaging of military equipment destined for the fighting arena. The courageous stand the Senator from Ohio has taken will do much to stem the dangerous tide which is beginning to engulf our great Republic.

Mr. LAUSCHE. I thank the Senator from Wyoming.

In elementary school, high school, and law school I was taught repeatedly that in every country liberty can be sustained and maintained only by obedience to law and order. I have heard it said fre-

quently that our system of government is one in which we change the law by the casting of the ballot, not by the firing of bullets.

But tragically, we are now giving approval to the proposition that if one is not satisfied with the law, he may indulge in riots, violence, demonstrations, and civil disobedience, and thus bring about a change. When that system is tolerated, liberty goes out the window; tyrants take hold. I have a deep fear that that is the direction in which we are moving, because of our absolute indifference to the great threat that this subject poses to our people and to our Nation.

Mr. President, I ask unanimous consent that the two excellent articles published by the Columbus Dispatch be printed at this point in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Columbus (Ohio) Dispatch, Sept. 22, 1965]

STUDENTS KICK OFF NEWEST EXPLOITATION OF BIG LIE

An anticipated turn of events in the Communist propaganda program was given substance and shape Monday at the University of California. Student activity there fired the first gun in a campaign which promises unprecedented trouble in the coming school year.

Peiping and Hanoi, for whatever differences they may have in relation to their parts in the war in Vietnam, are solidly behind a new campaign of disruption on the U.S. homefront.

Serving them as ever is the Communist Party, U.S.A. which is on the threshold of a series of civil disorders that will enlist the willing hands of many deluded liberals. It is a maxim of the Communist conspiracy that "a Communist world must be built with non-Communist hands."

The Reverend Daniel Lyons, a Jesuit who recently returned from one of several inspections of the Vietnamese situation, asserted in Columbus recently his belief that the military position of the United States is looking better in Vietnam. This, he indicated, is obvious to Hanoi as well—hence the soon-to-be-launched campaign to enhance the Communist position by establishing the lie around the world that the United States is the aggressor in the struggle.

Tactical plan of campaign, as suggested by the first demonstration on the opening day of school at Berkeley Monday, is to shift the emphasis of the campaign from campus fomentation to contrived disorder off campus so as to bring down the force of civil law wherever possible.

The demonstrations just beginning are expected to build to a crescendo which will peak about mid-October.

The goal of the Communist vanguard that is urging its dupes into this nefarious plot is to have as many as 100,000 demonstrators arrested and jailed.

Communist rabble rousers around the globe will then spread the lie that vast numbers of U.S. citizens are in favor of discontinuing the Vietnamese campaign and only a fistful of reactionaries in the government sustains the national purpose.

"Police brutality," "oppression of the masses" and similar Red cries will be raised.

The prime source of manpower for this Communist disruption will be the card carriers, fellow travelers and willing patsies among college faculties and student bodies.

Father Lyons pointed out the lack of logic in the liberals' demands that the United

States negotiate the Vietnam dispute, recalling that our forces are in the country by invitation, that we do not own Vietnam and our sole purpose is to support the Geneva agreement which proposed to establish the two Vietnams, North and South.

Violation of this agreement by invaders from the Communist North started the whole sorry situation.

During the time when the cause of North Vietnam appeared to be sure of success there was very little agitation for withdrawal of our troops from the action.

It is only recently, since the fortunes of the war have begun to swing in our direction, that the outraged liberals have been screeching their condemnation of our continued presence.

There is no more point in the United States negotiating with Hanoi's guerrilla bandits at this time than there would be for a policeman to negotiate with a thug caught robbing a bank.

The U.S. policy is firm. It is beginning to prevail. Anyone who interferes or hinders a continuing success gives aid and comfort to the enemy.

All who join this new Communist effort to malign the cause of freedom and to slander the United States before the world align themselves with the enemy, outside the bounds of law and human sympathy.

[From the Columbus (Ohio) Dispatch, Sept. 24, 1965]

J. EDGAR HOOVER SHATTERS MYTH OF POLICE BRUTALITY

It is time the American sense of justice and fair play sifts the vicious fakery out of the mounting yammer of "police brutality" which accompanies virtually every suppression of civil disobedience and much of routine law enforcement.

Director J. Edgar Hoover, whose Federal Bureau of Investigation checks out countless charges of police brutality each year, probably knows more about the nature of this recent assault on the dignity and authority of police power than any other man.

He has spoken out in clear terms in defense of the police forces in the United States and against their detractors in an interview in the current issue of the U.S. News & World Report.

There is great relevance in Director Hoover's statements.

For instance, he reports that in 4,755 allegations of brutality made against police in the past 36 months, only in 71 instances did the evidence support an indictment of the accused officers. Of these only 14 were convicted.

In most instances the charges of brutality were found to be deliberate fabrications aimed at intimidating police officials and harassing the FBI.

Some civil rights demonstrations have shown evidence of being designed to bait the police and to attract publicity to the cause.

In most allegations investigated by the Bureau, the brutality charges came from Communists, criminals, and from juvenile disturbers of the peace who had been involved in drunken orgies and rioting.

In the rare cases in which brutality has been found to have existed in fact, Director Hoover and all similarly dedicated police officers have been quick to concur in the punishment of the offenders.

One of the quickly recognized techniques of the groups who seek to destroy the effectiveness of policemen with false charges of brutality is the way the charge is made. The people who would frame the police scream brutality with loud persistence, establishing an emotional mood among their listeners and rarely risking a cold and factual investigative examination through the legal process.

Director Hoover believes false charges against police as damaging as these unwarranted and unsubstantiated instances of faked brutality should exact punishment as readily as that meted out to the rare officer who violates his responsibility.

We support Director Hoover in his ceaseless effort to sustain the best in law enforcement for all citizens. And we gladly support his effort to spare policemen this extra burden of malignant falsehood in every instance of its occurrence.

Policemen daily put their lives in pawn so the rest of us can live in reasonable peace. They deserve the wholehearted support of every law-abiding, peace-loving citizen.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes.

Mr. GORE. Mr. President, we are now considering legislation which would implement a trade agreement entered into between the President of the United States and the Prime Minister of Canada. The legislation would also, strangely enough, implement private agreements between the Government of Canada, on the one hand, and the Canadian subsidiaries of the U.S. big four automobile companies, on the other. Even more strangely, these private side deals, in the form of letters, were seen by no official of the U.S. Government prior to the signing of the formal agreement by the President, or prior to the submission of this implementing legislation to Congress.

Not so strangely—indeed, this is the usual course—the Senate is under considerable pressure to act hastily in the closing days of the session. I might just point out at this time a little of the chronology of this bill.

The agreement was signed in January. President Johnson transmitted a message with the implementing legislation to Congress on March 31. Hearings were held by the Ways and Means Committee in April. But the bill did not finally pass the House until August 31. And there has been constant carping because some of us in the Senate wanted to take a little time to study and investigate this rather bizarre scheme. This, of course, is all too frequently the pattern.

But, let us do the best we can, in the limited time available, to understand what we are about to enact.

The story of the background and development of this legislation has been so heavily encrusted with State Department obscurantism and lack of candor that an understanding of the real problem sought here to be dealt with, and a proper solution for whatever problem does in reality exist, must be preceded by a clear statement of the basic facts involved. These are, as I understand them:

First, Canada, like the United States, suffering balance-of-payments difficulties, undertook to find a solution and among other steps established a one-man royal commission in 1960 to study

the automotive trade situation with a view to reducing Canada's large imbalance in this commodity.

Second. In November 1962, the Canadian Government, by order in council, initiated a limited tariff rebate plan. Under this plan, the duty on automatic transmissions and stripped engines imported into Canada would be remitted—pocketed by the Canadian automobile manufacturer—to the extent that the Canadian content of automobile parts exported by the particular producer concerned exceed that of the exports by that producer during the base period—approximately the 1962 model year.

Third. In November 1963, this limited rebate plan became a full-blown duty remission scheme under which the duty was remitted on all imports into Canada of motor vehicles and original equipment parts to the extent that the importing company increased the Canadian content of its exports of all automotive products above that of the base period.

Fourth. As a result of these unilateral actions on the part of the Canadian Government, which amounted to an export subsidy, automotive exports from Canada to the United States increased drastically.

Fifth. Despite treaty obligations on Canada's part, and despite explicit domestic U.S. law, the U.S. Government took no action. A petition was filed with the Bureau of Customs under provisions of the Tariff Act of 1930 to impose countervailing duties on these exports from Canada into the United States which were clearly thus being subsidized by the Canadian Government in violation of treaty obligations.

An investigation was begun by the Treasury Department on June 3, 1964, but the matter was not vigorously pursued, and the Secretary of the Treasury refused to take action to impose countervailing duties. Court action was initiated on January 12, 1965, to seek to compel the Secretary of the Treasury, then Mr. Douglas Dillon, to take the action which the law clearly required.

Sixth. On January 16, 1965, the agreement between the United States and Canada, now sought to be implemented by this bill, was signed. On January 13 and 14, 1965, the major automobile companies manufacturing in Canada, all subsidiaries of U.S. companies—General Motors, Ford, Chrysler, and American—entered into written agreements with the Government of Canada which obligated these companies to increase, or to bring about an increase of, Canadian automotive production, over and beyond expected normal growth, by \$241 million during the next 3 years. The subject bill would also, in several respects, recognize and implement these private agreements without which, indeed, the formal government-to-government agreement could not be understood. Indeed, it would be meaningless.

Seventh. Although the formal agreement and the legislation are in perpetuity, the formal agreement can be cancelled on 12 months notice by either Canada or the United States. The agreement, however, taken in its totality, is a 3-year agreement, so far as the Gov-

ernment of Canada is concerned. And the Government of Canada thus far has exercised all the options.

Eighth. According to available statistics, the cost of an automobile in Canada is about 15 percent above U.S. levels at this time, and the cost of production is, although not necessarily that much higher, considerably above the cost of production in the United States.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. RIBICOFF. Mr. President, I believe that the Senator has inserted a most pertinent clause—"at this time." While it is true that the cost of production in Canada is 15 percent over that in the United States, is it not also true that if the automobile companies which now control the Canadian subsidies build modern plants and install modern equipment in order to increase automobile production in Canada, the increased efficiency and savings resulting from the differential in wage rates could well decrease the cost of automobiles manufactured in Canada to less than the cost of those manufactured in the United States?

The agreement provides that, in addition to the requirement of 60 percent of 1964 production, the American manufacturers would be required to increase the number of automobiles and automotive parts produced in Canada to the extent of \$241 million a year.

Mr. GORE. The Senator is correct.

Mr. RIBICOFF. Mr. President, it is estimated that it could well cost approximately \$1 billion in new plant and equipment to increase this production.

Mr. GORE. That statement is correct. That would involve new facilities.

Mr. RIBICOFF. It would involve modern facilities and modern management. The present cost of production in Canada is due to the fact that many Canadian manufacturing companies manufacture a varying number of models. Under the agreement that is contemplated, those companies would manufacture one, two, or three models, and thus decrease the cost of production.

Mr. GORE. That would be true in the case of the Dart, manufactured by Chrysler Corp. The Dart is one of their popular models. If all the Darts were manufactured in a new plant in Canada, with the benefits derived from the most modern facilities and a large volume of production, it might well be that, because of the lower Canadian wage scale, the cost of production would be even lower in Canada.

Mr. RIBICOFF. Mr. President, I call the attention of the distinguished Senator to page 360 of the transcript of hearings. This is a tabulation which was submitted by the Secretary of Labor.

If the Senator will examine the figures, he will note that the average hourly rate, as of May 1965, in the manufacturing of motor vehicles in the United States was \$3.41 an hour. It will further be noted that the average hourly wage in the manufacture of motor vehicles in Canada is \$2.86 an hour. That is a differential of 55 cents an hour in the manufacturing of the motor vehicle itself.

There is another interesting figure contained in the tabulation. If the distinguished Senator will look at the next item, motor vehicle parts and accessories, he will observe that the average hourly wage in this industry in the United States is \$3.31 an hour, but, in the same industry, motor vehicle parts and accessories, there is an average hourly wage in Canada of \$2.58 an hour. That is a differential of 73 cents an hour in the manufacturing of motor vehicle parts and accessories.

Let us say that under the agreements here involved, American companies which move satellite part plants into Canada, in order to increase production will install modern plants and equipment. With a wage differential running between 55 and 73 cents an hour, I should say that that would spell disaster for American labor and American industry. Because a Canadian plant is modernized to take care of increased production, it becomes obvious that when there is a free flow of automobiles from Canada to the United States and from the United States to Canada, American manufacturers will take advantage of the differential. They will manufacture the low-priced, popular cars in the Ford, Chrysler, and General Motors lines in Canada, send them to the United States at a much lower rate, and manufacture the more expensive cars in the United States, sending them to Canada. That would spell disaster for American labor and American industry, because under those circumstances, American labor, and industry could not compete with the tremendous wage differential in Canada.

Is there not some merit in that point of view?

Mr. GORE. I believe that there is danger in that point of view. The situation which the Senator describes is clearly possible—indeed, I should say likely. It involves danger for American workers, it worsens our balance of payments, it increases unemployment in our country, and it places a great hardship on small business.

If it is possible, for example, for the Chrysler Corp. to concentrate the manufacture of its Dart models in Canada and ship them into the United States duty-free, I ask the Senator if Volkswagens, Volvos, or Japanese automobiles cannot likewise be assembled there, and invade the U.S. market duty free.

Mr. RIBICOFF. The Senator is absolutely correct, because this agreement is of such nature that once Volvo or Renault or Fiat or Volkswagen builds a plant in Canada, and then has 60-percent value added in Canada, shipping in 40 percent of its parts, it will have the advantage of shipping automobiles into the United States.

The distinguished Senator from Tennessee may be interested in this figure. Last year, in 1964, we imported \$573,300,000 worth of automobiles from countries other than Canada.

It is certain that once the Canadian manufacturers are able to ship their automobiles into the United States without the 6½-percent tariff, with the large

American market we now have for foreign cars, business prudence on the part of the European manufacturers of automobiles will convince them of the advantage of building their plants in Canada, too, in order to capture as much as possible of the American market. That is another danger which we face because of the proposed agreement.

Mr. GORE. It is made possible by the proposed agreement.

Mr. RIBICOFF. The agreement actually invites it. I believe the agreement with that fantastic wage differential, running between 53 and 73 cents an hour, writes a blank check to every manufacturer of automobiles to move into Canada and capture the American market.

Once modern plants are built under the same basic management, with shipping charges so minimal between Detroit and the Canadian border cities, where the wages are lower, we write danger to one of the basic American industries, which is so little understood that when we talk about the automobile, it is the impression of the public generally that we are speaking of the four major companies, Ford, General Motors, Chrysler, and American Motors. What is little understood is that some 10,000 American manufacturers supply parts to the big four in Detroit, and those 10,000 manufacturers hire hundreds of thousands of workers in all 50 States. Once the automobile is manufactured and assembled in Canada the parts manufactured in Canada, which are assembled into automobiles in Canada, are duty free; but parts are not duty free if shipped from the United States as parts alone; is that not correct?

Mr. GORE. Unless they go to an automobile manufacturer.

Mr. RIBICOFF. Directly to a manufacturer.

Consequently, as developed by the Senator from Tennessee in his questioning and his brilliant research, I believe there is already in the works a movement of parts manufacturers to Canada, to supply the automobiles to be manufactured in Canada. Is that not correct?

Mr. GORE. Not only is there a movement under way by the parts manufacturers themselves, but the Big Four automobile manufacturers are apparently already putting pressure upon their suppliers to move to Canada.

Let me read to the Senator a statement which has been brought to me by a group of workers who have already been notified that they will be unemployed after their employer completes his supply contract for the current model. This is a posted notice:

In view of the brief announcement which was made to the press on July 16 in regard to our planning where the manufacture of springs in Canada is concerned, I thought it would be in the best interests of all concerned to take this opportunity to provide further information.

The first notice referred to has now been handed to me, and I should like to discontinue reading the later notice to read a portion of the first one. The notice from which I shall now read was dated September 3, 1965, by the Spring

Division of the Eaton Manufacturing Co.:

To all Spring Division employees:

The development of plans for the establishment of a leaf spring plant in Canada has matured to a point where I am in a position to advise you more fully where the move is concerned than at the time of the initial notice on the subject, July 19, 1965. According to these plans, the Canadian plant will be equipped almost entirely with new machinery. Very little existing equipment will be moved from either Detroit or Lackawanna to the Canadian location, which will be at Chatham, Ontario.

I digress from the reading to say that it seems to me that this punctuates and illustrates the point which the able Senator from Connecticut has made, that plants built in Canada under the incentive of this agreement will be new plants, with new machinery, new machine tools. I read again to the Senate:

According to these plans, the Canadian plant will be equipped almost entirely with new machinery. Very little existing equipment will be moved.

Mr. RIBICOFF. The average wage differential in Canada over that of the United States is 73 cents an hour on parts.

Mr. GORE. On parts, I should like to interject still further on the question of wages.

As the Senator will recall, I asked the Secretary of Labor to supply the committee with information as to the differential in wage rates in the various Provinces of Canada. I did that because many of the parts, as the Senator knows, can be made by small businessmen. Many of them are. They can locate in small communities, in some cases in remote communities. I invite the Senator's attention to page 361 of the hearings, where it is shown that in the Province of Quebec, the average wage rate for motor vehicle assemblers, line and bench, is only \$1.48 an hour. Compare that with wages in the United States.

Mr. RIBICOFF. As I read the table supplied by the Secretary of Labor, \$2.73 an hour for the same item.

Mr. GORE. Thus, when a parts manufacturer establishes a new plant in Canada with new equipment, new facilities, modern assembly line production, and with a prime contract with the big four automobile companies to supply those parts, the cost of production may be considerably cheaper in Canada.

I come now to the notice of the Eaton Manufacturing Co. As a result of this notice, I received the following telegram from the workers at the Eaton plant. I shall not read it in whole, but in part it states:

Our members have already been informed that the entire leaf spring operation in the Spring Division of the Eaton Manufacturing Co. will cease at the end of the 1966 model year because this product will be manufactured exclusively in a new Eaton Canadian facility. Thereafter this means that 350 of our members will have their jobs completely eliminated because of the private assurances to Canada of a substantial business increase.

Mr. President, that is not all the telegram. I ask unanimous consent to have

the complete text of the telegram and the two notices printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DETROIT, MICH.,
September 16, 1965.

Hon. ALBERT GORE,
U.S. Senate Office Building,
Washington, D.C.:

Our heartfelt congratulations to you on your forthright and perceptive opposition to the Canadian-United States auto tariff agreement now under Senate consideration.

Our members have already been informed that the entire leaf spring operation in the Spring Division of Eaton Manufacturing Co. will cease at the end of the 1966 model year because this product will be manufactured exclusively in a new Eaton Canadian facility thereafter.

This means that 350 of our members will have their jobs completely eliminated because of the private assurances to Canada of a substantial business increase.

No doubt many more U.S. firms, such as Eaton Manufacturing Co., will be transferring their operations to Canada to avail themselves of the competitive advantages these assurances provide. Consequently many more of U.S. workers will be losing their jobs once the agreement becomes fully effective.

We respectfully request that you continue your noble endeavor to achieve a Senate rejection of this trade-restricting agreement with the wholehearted support of every member of this local union.

Sincerely,

LOCAL 368, UAW, AFL-CIO,
WARREN MIKA, President.

EATON SPRING DIVISION,
EATON MANUFACTURING CO.,
Detroit, Mich., September 3, 1965.

To all Spring Division Employees:

The development of plans for the establishment of a leaf spring plant in Canada has matured to a point where I am in a position to advise you more fully where the move is concerned than at the time of the initial notice on the subject, July 19, 1965.

According to these plans, the Canadian plant will be equipped almost entirely with new machinery. Very little existing equipment will be moved from either Detroit or Lackawanna to the Canadian location, which will be at Chatham, Ontario. Without ruling out the possibility of a reactivation of a portion of the facilities at either Detroit or Lackawanna to meet market demands not now foreseen, the leaf springs to be produced by the Spring Division will be made entirely at the Chatham plant beginning approximately 1 year from now.

Under current conditions the suspension coil spring and mechanical coil spring business remaining is not substantial enough to justify the large plant facilities which they will occupy. In order to warrant the continuation of coil spring manufacture at our present location, it will be necessary for us to obtain a most substantial increase in our volume of business where these items are concerned. This can be done in two ways—by the introduction of new products and by increased market penetration for existing products.

Where new products are concerned we have a most encouraging one in the Torsionetic Universal Joint, but a great deal of time and effort must be expended before this item will replace any substantial portion of the loss where leaf springs are concerned. At best then the Torsionetic Joint represents for the present no more than a good start in the right direction.

Increased market penetration for existing products, the second growth path open to us, is a rugged road to follow, but take it

we must for only by it will we reach our common goal of jobs and job security. However, we will succeed in reaching this goal only to the extent that we can sell our springs profitably for less money than our customers are paying us currently. This is an obvious and simple statement of economic fact, but the consequences will hit hard on every facet of our operations.

In the past we have been competing largely with firms like ourselves having leaf springs as their principal product. In the future we will be competing with coil spring manufacturers having smaller and less expensive organizations than that to which we have been accustomed. To compete successfully under the new conditions which confront us will require us to examine every single phase of our operations and to make whatever adjustments are required to assure that we operate with a maximum of efficiency and that we avoid all needless expense during the critical days which lie ahead.

In closing, I would emphasize that management has no intention of abandoning the manufacture of coil springs and that it has high hopes that these phases of our current operations can be carried on successfully provided only that every member of the organization accepts his share of the job which confronts us.

Sincerely yours,

H. H. CLARK,
General Manager.

NOTICE

In view of the brief announcement which was made to the press on July 16 in regard to our planning where the manufacture of springs in Canada is concerned, I thought it would be in the best interests of all concerned to take this opportunity to provide further information.

The announcement spoke of the formation of a Canadian subsidiary to be called Eaton Springs Canada Limited, and it referred to the fact that plans for the subsidiary operation are being drawn. These plans currently affect only our leaf spring operations. We hope that the result will be substantially increased business in the long run.

In the development of these plans we have recognized the insistence of our principal customers, who find it desirable to increase their purchases in Canadian markets. The plans also are the culmination of studies which we have been making for quite some time, as you will recall from references in my letters in the Springboard regarding our competitive position and our efforts to seek solutions to the problems confronting us.

The development of our plans where this future operation is concerned is necessarily a fairly long-term project. You can be sure that I will keep you advised at appropriate times as our planning matures.

H. H. CLARK,
General Manager, Eaton Manufacturing Co., Spring Division.
JULY 19, 1965.

Mr. GORE. I should like to read in part from the second notice:

In the development of these plans, we have recognized the insistence of our principal customers who find it desirable to increase their purchases in Canadian markets.

Mr. RIBICOFF. Is this not partly due to the fact that the agreement of the automobile manufacturers with the Canadian Government gives the American companies credit for parts manufactured in Canada which go into automobiles, thus bringing pressure to bear on the parts manufacturer to locate his facilities in Canada, which gives him another break?

Mr. GORE. That is true. These are side deals. They are private agreements

made by Canadian subsidiaries with the Canadian Government, over which the United States has no control and for which, I assert, we should have no responsibility.

Mr. HARTKE. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Tennessee yield to the Senator from Indiana?

Mr. GORE. The "big four" agreed to increase automotive production in Canada, and in the agreement they are given credit on their commitments for the accretion in production of automotive parts. It is done by suppliers whom they can induce to go to Canada. That is what has happened. I point out this notice. It was placed on the bulletin board for the 350 employees to see who had already been put on notice that they will be out of jobs at the end of the 1966 model year. The reason, the manufacturer says, is that he has been under pressure from the automotive concerns to move to Canada.

Mr. HARTKE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. First, let me—

Mr. RIBICOFF. Certainly. If the Senator from Tennessee wishes to yield to the Senator from Indiana, we can continue the colloquy later on.

Mr. GORE. Before I yield to the Senator from Indiana, let me say that this will be but one of hundreds of movements of parts manufacturers to Canada, if the bill is passed by the Senate.

Mr. RIBICOFF. That is because it is the beginning of shifting the basic production of American automobile parts to Canada, away from the United States, in order to take advantage of the basic wage differential between Canada and the United States. Is that not correct?

Mr. GORE. That is true. I heard the Senator from Indiana reading yesterday a statement from an official of the Chrysler Corp. who predicted vast movements to Canada. The Senator from Indiana certainly recalls that?

Mr. HARTKE. I do. That was a statement made by Lynn Townsend, president of the Chrysler Corp. of the United States, and statements contained in the Business Week issue of January 26 of the year, I believe.

Now I should like to ask a question of the Senator from Tennessee. Admitting that this action has already been taken at Eaton, and that this is a statement of policy, which means that workers will be losing their jobs, who is to pay for rehabilitating those people?

Mr. GORE. The bill contains a provision which gives to the President unlimited authority to pay certain benefits to the industries which go bankrupt as a result of this agreement and, also, to pay for retraining and relocation, and to compensate for the loss of jobs by employees who will be unemployed as a result.

Mr. HARTKE. Thus, the poor workman who is to lose his job because there has to be a protected industry with new facilities in Canada financed with American money, will have his own job taken away from him. He will have to try to

retrain himself, even if he is 55 years of age and even if he has 35 years seniority—it does not make any difference where he is—he will have to try to retrain himself and find himself another job. Then the Federal Government will have to pay the bill; is that not correct?

Mr. GORE. The bill provides that he may be put on a dole.

Mr. HARTKE. He may be put on a dole and paid during that time at the rate of 65 percent of the average manufactured wage; is that not correct?

Mr. GORE. Yes; but other people who may lose their jobs as a result of other trade agreements are not so benefited.

Mr. HARTKE. This shows a wide discrepancy. In other words, the bill contains a built-in admission that it will harm or hurt the worker, and that it will hurt the American factories, so much so that we must give them a dole, and we have got to pay the firms which lose money and can prove they have lost money, once they go out of business, or are damaged as a result of this unilateral action, which was started by Canada and on which we are going to attempt to put the stamp of approval.

Mr. GORE. And which some people call free trade.

Mr. HARTKE. I thought we had laid the free trade issue to rest. I suppose we have not, because today a distinguished friend of mine said to me, "Why are you opposed to the free trade agreement?" I said, "This is exactly the opposite of a free trade agreement, so I suppose they are going to remedy that fact."

I see the assistant majority leader in the Chamber, the Senator in charge of the bill. I hope that during the evening—since we have direct proof now that some people will be asking for assistance as a result of the action of the agreement—he will have checked with the administration to find out how much it is expected to cost the American taxpayer for this adjustment of this section of the bill. There has been no price tag placed on that part of the bill.

Mr. GORE. I appreciate the presence of the distinguished Senator from Louisiana [Mr. LONG], and I welcome any advice he may have on this point. I would not wish to overtax him, because I heard him spend most of yesterday afternoon trying to solve Canada's balance-of-payments problem. He never got around to solving our own, let alone the assistance which it will be necessary to give to the American worker, and to the businessman who will be thrown out of business on into bankruptcy as a result of this agreement.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I shall be very happy, indeed, to yield to the distinguished Senator from Louisiana. Has the Senator a solution for the Canadian balance of payments, other than this agreement?

Mr. LONG of Louisiana. Perhaps the Senator heard me discuss the telegram, which he has discussed a number of times in my presence. I believe the telegram I received from the Eaton Manufacturing Co. said that it could reabsorb about 100 to 150 workers—

Mr. GORE. That would leave 200 to 250.

Mr. LONG of Louisiana. One hundred and fifty.

Mr. HARTKE. Two hundred and fifty—250.

Under this agreement it is expected that the parts manufacturers are going to ship more—

Mr. GORE. Where is that?

Mr. LONG of Louisiana. Let me read from page 25335 of yesterday's RECORD. This is an excerpt from my speech:

Seventeen of five hundred and five auto parts manufacturers in Canada told the Government they may be adversely affected by the Canadian-United States auto agreement. Industry Minister Drury has said that detailed consideration will be given to proposals to aid both hard-hit manufacturers and any workers affected.

So Canada is telling its people that some of them are going to be shifted as a result of the agreement. You referred to one of them in this county. The statement listed 17 Canadian firms.

Mr. GORE. The Senator has referred to a statement, but he has not brought forth the fact that posted on bulletin boards of Canadian employers there are statements to the effect that hundreds of workers will be unemployed. What the Senator has read is merely a prospective statement. I doubt if it is very probable.

The truth is that the stated purpose, the effect, and the intended effect of the agreement is to increase automotive production in Canada to a greater comparable degree than the increase in the United States. So the Senator can cite one instance. The agreement stands as proof in itself that the very purpose is to increase the Canadian proportionate share of North American automotive production. That is not only the purpose; it is the effect; and it is not only assured by the agreement but it is backed up by the agreements that the Canadian subsidiaries of the American big four automobile companies entered into with the Canadian Government.

Mr. LONG of Louisiana. I do not agree with the statement that that is the effect of it. Under this agreement we have made some allowances.

Mr. GORE. What does the Senator disagree with in my statement?

Mr. LONG of Louisiana. It happens that 95 percent of these automotive groups are located in the United States.

Mr. GORE. Yes. Will the Senator tell us with what part of my statement he disagrees?

Mr. LONG of Louisiana. In the first place, under the agreement, there will be no net increase of Canadian imports in these articles. That is in conflict with the statement which the Senator made. There will be no net increase in Canadian imports to the United States. Some Canadians may question that, but it is true to the extent that we shall be shipping more, to the mutual benefit of both countries.

Mr. GORE. Will the Senator show us that? Then I want the Senator to state with just what statement he finds himself in disagreement.

Mr. LONG of Louisiana. That is what the Assistant Secretary of the Treasury

said, as appears on page 11 of the report. He was a witness requested by the Senator from Indiana [Mr. HARTKE] in this connection.

Mr. GORE. We are passing on and voting on a bill implementing an agreement. Will the Senator show me where any contrary statement has been made?

Mr. LONG of Louisiana. I have the testimony of the Under Secretary of the Treasury, who supports the administration, as well as the Secretary of Commerce in that regard. That was our understanding.

The Senator talked about the purpose of the amendment. Money was the purpose of the agreement—\$580 million.

Mr. GORE. Mr. President, I have the floor.

I see that what the Senator is talking about is entirely different from any language he described. He is citing that the Under Secretary of the Treasury testified that under this agreement we would continue to have approximately the same balance, the same surplus, the same dollar amount, not percentage-wise, but the same dollar amount—a favorable balance, with Canada, in the trade of automobiles. So the Senator talks of that as meaning that there is a guarantee that there will be a minimum net of imports into the United States. It does not so provide. The Senator says that by standing still we win the race. The Senator misconstrues completely.

I ask the Senator from Louisiana to point out with what part of my statement he finds himself in disagreement.

Mr. LONG of Louisiana. The Senator started by saying that the purpose of this agreement is to increase Canadian production.

Mr. GORE. That is correct.

Mr. LONG of Louisiana. That may be the purpose so far as Canada is concerned. Our purpose is to maintain the favorable balance of trade.

Mr. GORE. That is the purpose of Canada and of the automobile concerns which make the side agreements with the Canadian Government, the big four subsidiaries in Canada, in implementing the agreement. That is the announced purpose.

Mr. LONG of Louisiana. So far as the Canadian official who is negotiating this agreement is concerned, he is negotiating the best he can for Canada. He has that completely in mind. So far as the American negotiator is concerned, he is negotiating to protect the \$580 million surplus we have and to increase our surplus. After 1968 it will increase. No matter how long we debate the subject, we shall end with this difference of opinion. We have both spoken on it. We started out on a different basic assumption or opinion. I say that Canada is a sovereign nation. Canada controls her market. We cannot do anything in that market without Canada's consent. We have seen what happened in Brazil—

Mr. GORE. The Senator has now dived head first into assumptions. He raises the point that he and I have differences of opinion. The Senator rose and said he put himself in disagreement with the statements I have made. I

asked him to show me with what statement he was in disagreement. He said that I started by saying that the purpose of the agreement is to increase automobile production in Canada. That is the purpose, that is the effect, of the side agreements and the bill which implements those agreements.

Mr. LONG of Louisiana. Canada is going to increase its production of automobiles. It is going to do it with or without the agreement.

Mr. GORE. That is not the question. The question is, Does the Senator disagree with my statement?

Mr. LONG of Louisiana. Yes. From the American point of view, the purpose of the agreement is to help America—

Mr. GORE. The Senator is talking about surpluses. I am talking about Canadian automobile production. Increased Canadian production is the intended purpose and that will be the effect and that will be the result.

Mr. LONG of Louisiana. The Senator seems to feel that we have some rights to stop an increase in the production of automobiles in Canada. That is a spurious argument—

Mr. GORE. The Senator is speaking on a dubious assumption.

I am speaking of the facts that have been revealed by hearings. I am speaking of the text of the agreement, the text of the bill before Congress, and the text of the side deals entered into by the Canadian subsidiaries of the big four American automobile concerns. I do not wish to engage in prolonged debate on dubious assumptions. I wish to talk about facts.

Mr. LONG of Louisiana. Let us talk about facts.

Mr. GORE. Will the Senator cite one fact that I cited with which he disagrees?

Mr. LONG of Louisiana. Let me cite a fact that the Senator does not seem to be aware of. I refer to page 10 of the report, at which appears table II. This agreement had been in effect for 6 months, and to some extent had been implemented by Canada.

We increased our exports to Canada by \$36 million and Canadian exports to us increased \$32 million. We are ahead \$4 million on that up to now.

That is the opposite of these dire consequences the Senator has been predicting.

Mr. GORE. I would like to answer that with some more facts.

In 1961, U.S. exports, as a percentage of the total automotive trade with Canada, were 98 percent.

The Senator has cited the great progress we have made under this agreement since January 1965. In 1965, that percentage dropped to 87 percent.

Mr. HARTKE. This is great progress against the United States.

Mr. GORE. The entire purpose of this bill is to increase production in Canada proportionately greater than in the United States. The Tariff Commission testified unmistakably about this. There is no question about it. There is no room for debate there.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HARTKE. I wish to quote from Minister Drury. He is the Minister in charge of industry. I quote from page 75 of the hearings:

The main objective of the program is to increase substantially the production of automobiles and automobile parts in Canada for the next 3 years.

Mr. GORE. Of course.

Mr. HARTKE. There is no question about this. I cannot understand how anyone can disagree that this is the intent of the agreement. It will be the result of the agreement. The other side of the picture is that it will be at the expense of the United States.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GORE. I wish to read another paragraph from Mr. Drury, and then I will yield to the Senator from Connecticut:

The program will make an important contribution to the improvement of Canada's international payments position. In recent years trade in vehicles and components has resulted in an annual deficit with the United States of the magnitude of \$600 million. Increased output and improved efficiency in the automotive industries will help to achieve the Government's objective of reducing Canada's current account deficit.

Our trade with Canada is not confined to automobiles. For instance, we sell Canada \$2 million worth of liquor, and we buy \$103 million worth of liquor from Canada.

According to the line of illogic followed by my distinguished friend the able and delightful junior Senator from Louisiana, it would be wonderful for the United States if we could stand still in our advantage in automobile production, which is one of our advantages, while Canada increases her balance of trade with Canadian Club.

I yield.

Mr. RIBICOFF. I am pleased that the distinguished Senator opened up that line of the inquiry. Let us follow it to its logical conclusion.

If we are really talking about free trade, we are talking about allowing nations which can do the best job to continue to do the best job and, therefore, lower prices and lower the trade barrier.

Mr. GORE. Utilizing the natural advantages and resources they have and taking advantage of trade with other nations.

Mr. RIBICOFF. That is absolutely correct. There is no question that at this time the United States is superior in the manufacture of automobiles.

Mr. GORE. I believe Henry Ford lived in Michigan.

Mr. RIBICOFF. The Senator is correct.

If we should follow the argument of the distinguished Senator from Louisiana to its logical conclusion, we would be in a most peculiar position. The Senator from Tennessee cited alcoholic beverages.

Let us look at a few other items of trade differential. In iron ore and concentrate, the United States exported in 1964, \$58 million and imported \$275 million.

In wood, logs, and lumber, the United States exported \$55 million and imported \$352 million.

Mr. GORE. It was the United States vis-a-vis Canada.

Mr. RIBICOFF. The United States and Canada. That is all.

Now, we come to woodpulp, and waste paper. The United States exported in 1964, \$12 million and imported \$346 million.

When we come to paper and paperboard, the United States exported \$47 million, and we imported \$747 million. In that item alone we have an unfavorable trade balance of \$700 million.

When Minister Drury talks about \$600 million, the \$600 million does not even balance up the one item of paperboard and pulp.

It would seem to me that Canada can produce this much cheaper and better than the United States because of its natural resources. If we talk about free trade, this is what we should allow.

Consider petroleum, crude and partly refined. That is an item with which I am sure the Senator from Louisiana is far more familiar than I. I cannot speak for the Senator from Tennessee.

In connection with petroleum, crude and partly refined, we exported to Canada in 1964, \$234 million and imported \$258 million.

We do not complain about this. This is what we talk about when we refer to normal free trade between nations. But this is a restrictive agreement.

When the distinguished Senator from Louisiana, in reply to the Senator from Tennessee, talked about what happened between January 1 and the present time, this agreement had not had a chance to have the ink dried, and the Congress has not approved it yet.

The agreement contemplates in a period of 3 years, in addition to the 60 percent of additional production added to the 1964 Canadian production of automobiles, we will increase that production by \$241 million.

Mr. GORE. Are not these figures spelled out in the agreement?

Mr. RIBICOFF. There is no question about it. The agreement is a one-way agreement. I use these words advisedly when I say that in my opinion the State Department has not done right by the best interests of the United States by entering into the agreement. One of the tragedies we find, as we follow these trade negotiations, is that the State Department is not competent to negotiate for the United States.

In 1962, when Congress was dealing with the Trade Expansion Act, Congress was concerned with the question of the ability of the State Department to be the negotiator for the United States, its ability to protect the interest of agriculture, to protect the interest of labor, to protect the interest of industry, and to protect the interest of the consumer.

In the Trade Expansion Act, it was provided that there should be set up in the White House a separate agency on trade negotiation. Such an agency was set up under the chairmanship of the former Governor of Massachusetts, Mr.

Herter. He was to be in charge of the agency.

What did we find when we examined the agreement? We found that the Herter Agency was brought in after the fact.

If we are concerned with the balance of trade, where was the Treasury Department? The Treasury Department was brought in after the fact. Was the Commerce Department brought in to determine the effect the agreement would have on American business? That Department was brought in after the fact.

Was the Labor Department brought in to discuss the impact the agreement would have on American labor? It was brought in after the fact.

Was the Tariff Commission brought in to make a study to determine the impact on the U.S. policy and position in world trade? The Tariff Commission was brought in after the fact.

Was the Federal Reserve System brought in to discuss the impact on the entire financial situation of the United States? No. It was brought in after the fact.

It is all well and good to say that these agencies have now come to Congress to testify in favor of the agreement. We would be naive, indeed, if we did not understand, once a decision is made on the high executive level, that all the departments of Government must march together and come to Congress to testify in favor of it.

I speak from experience. Once a policy is handed down by the executive branch of the Government, everybody falls into line. Everybody finds arguments to rationalize the position.

A most interesting thing is that once this agreement came under attack, an attack started by the distinguished senior Senator from Tennessee—and I tip my hat to him—the defenders of the agreement no longer were the State Department, who could not justify themselves. Who came to Capitol Hill to importune us with facts and figures, to try to convince us? Not only the State Department, but other agencies of the Government importuned us; and they had a tough job because they were brought in too late and had to justify something that in their hearts they did not believe.

We are faced with a most peculiar position. We are faced with a position in which the President has signed an agreement. Congress was not asked what should be done and was not asked for advice. But now we are asked to abdicate our position as Senators and to put our stamp of approval, pro forma, on an agreement that many of us do not believe is proper, an agreement that we believe is against the vital interests of the United States.

It seems to me that the time has come when the Senate should exercise its constitutional function and insist that we have a bigger and a more important job to do than merely to stamp our OK, to stamp our approval, on everything that the executive branch sends to Congress.

The distinguished Senator from Tennessee is not only inviting our attention to one of the basic problems that face this country's future economic interests;

he is also alerting the Senate to its basic responsibilities.

I pay tribute to the Senator from Tennessee for what he is doing today.

Mr. GORE. I am deeply grateful to the Senator from Connecticut for his able statement. I invite his attention to the fact that not only is the Senate asked to pass a bill to implement this improvident agreement; but if the Senator will look at the very first page of the committee report, he will find three more purposes to be served by the pending bill. The second one is to authorize the implementation of similar agreements that the President may enter into with countries other than Canada. Are we authorizing that here? We are confronted with one bad deal. How many more may the State Department negotiate under the leadership of the big four automobile companies? The big four automobile companies are the beneficiaries of this agreement in the United States. Who are the beneficiaries? In the United States, the big four automobile companies. Do Senators call that free trade? Free trade for whom?

Can an automobile supply store in Washington go to Canada and buy a part duty free? Not according to this agreement. Who can import into Canada duty free? Only a qualified manufacturer of automobiles; and Canada determines the qualifications.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. RIBICOFF. Suppose the Senator were a Canadian living just over the U.S. border and came to an automobile dealer in the United States, just over the border, to buy an American automobile. Could he import that car into Canada duty free?

Mr. GORE. On an Impala Chevrolet, one would have to pay \$500.

Mr. RIBICOFF. That is correct. So when we hear it said that this is free trade, it is not the kind of free trade that affects the average Canadian or the average American; it is only so-called free trade for four automobile manufacturers to eventually manufacture automobiles in Canada, to take advantage of cheaper Canadian labor, and then to export those automobiles without duty into the United States, thus displacing American workers and American business.

Mr. GORE. Under this agreement, the Prime Minister of Canada could not come to Detroit, buy an automobile, and take it into Canada without paying a 17½-percent tariff. But the automobile concerns can drive the cars or ship them back and forth across the line either way without the payment of duty; and they are the only ones, plus the parts suppliers who supply exclusively to the big four the parts they bring in. This is free trade for those who need it the least. This is free trade? This is a cartel for a few big monopolists.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. RIBICOFF. The Senator points out that if one buys an automobile that costs \$3,500 without payment of the 17½-percent tariff, there is a differential

of about \$500. Who gets the \$500? Does the Canadian who buys the automobile in Canada get it?

Mr. GORE. No; this is not free trade for the average citizen in Canada. This is not for the benefit of the Canadian people or the American people. I will tell the Senator who gets it and has been getting it since January—the automobile manufacturers. They have been pocketing 17½ percent of the price of every automobile they have sent into Canada. There have been no reductions in prices in Canada. On an annual basis, this has amounted to approximately \$50 million already.

Mr. RIBICOFF. Is it not true that in all the discussions of this agreement in Canada and in the United States, there is no commitment and no prediction that the savings on the tariff will be passed on to the Canadians, even in the future?

Mr. GORE. The Senator is correct. I shall not make comments about Canadian politics; but I should like to have that kind of issue in Tennessee, whereby the people of my State would have to pay an additional \$500 for an automobile, the remission of which has been brought about by my Government, the \$500 going entirely into the pockets of the automobile manufacturers.

Mr. RIBICOFF. The Senator from Tennessee has been in public life a long time. I do not believe the Senator would have been so successful as he has been if he had not ascertained and known public opinion. Does the Senator believe that agreements like this, in which the Canadians will not have the \$500 advantage from the savings on the tariff, will in the long run bring good will or ill will from the people of Canada toward the United States?

Mr. GORE. I fear that the people of Canada will identify the United States and the U.S. Government with General Motors, Ford, Chrysler, and American Motors, because those companies are the sole U.S. beneficiaries of this agreement. The beneficiaries in Canada are the Canadian economy and the Canadian balance of payments.

Who are the victims? The victims are U.S. workers employed in parts manufacturing plants and perhaps in automobile manufacturing plants; the 10,000 small businessmen who are engaged in the manufacturing of parts which they supply to the automobile companies; the U.S. balance of payments; and the U.S. taxpayer, who will have to pay for the doles to be issued to the people who will be thrown out of jobs.

Mr. RIBICOFF. Mr. President, another important phase of this entire problem concerns the relationship of the United States with other nations of the world. We are a member of GATT. Some 75 nations subscribe to GATT.

Since the days of the great American who was a mentor of the distinguished Senator—the late great Cordell Hull—we have tried to expand American trade and eliminate restrictive trade practices. We have a doctrine which has been adopted throughout the world. This doctrine is known as the most-favored-nation clause—MFN.

Is it not true that the GATT countries have complained and issued a warning to the United States to the effect that the United States, by virtue of this agreement, has violated the GATT agreement by having a special deal with Canada, from which deal other nations are excluded?

Mr. GORE. The answer is, Yes. Moreover, the U.S. Government witnesses testified before the Committee on Finance that the agreement was in violation of the GATT agreement.

I advert to the generous reference of the Senator to the late Secretary of State, Cordell Hull. It is true that I have been more or less a disciple of his, certainly insofar as international trade is concerned.

I have led several fights in Congress to extend the Hull reciprocal trade agreements program. Indeed, I doubt if there is another Senator whose record of the advocacy of freer international trade is as liberal as is the record of the senior Senator from Tennessee.

I find the pending agreement repugnant. It is the very antithesis of free trade. This is a rigged cartel, dividing up the North American market to the disadvantage of the United States, the small businessman in the United States, the people employed in the automotive parts industries in the United States, the U.S. taxpayers, our balance of payments, and eventually the consumers.

Mr. RIBICOFF. Mr. President, we are in the so-called Kennedy round of negotiations at GATT. The negotiations have been at a standstill because of the German election, the intransigence of President de Gaulle, and the great problems of agriculture. This operates to the disadvantage of farming States.

We now suddenly come to the passing of an agreement such as this. We are now about to reenter, in November, the negotiations at GATT and get down to serious business. The U.S. representatives, sitting in Geneva with the representatives of all other countries which manufacture automobiles — Germany, Italy, France, England, Sweden — will talk about the problems of differentials and favored treatments and violations.

When they reach the subject of the United States receiving an exception and a waiver of the American breach of our reciprocal trade agreements, does the Senator believe that European nations will give that waiver without a quid pro quo? Does the Senator think that the nations which manufacture automobiles will or will not take advantage of the embarrassing situation in which the U.S. Government finds itself because of the American-Canadian automobile deal?

Mr. GORE. Mr. President, as a preface to my answer, I recall to the Senator that I spent several weeks as a delegate to the General Agreement on Tariffs and Trade in Geneva. Therefore, I can answer the question from the benefit of this experience. In my view, our chance of winning the Kennedy round will be doomed by the passage of this bill. What would General de Gaulle say? He would imperially say, "Huh."

Mr. RIBICOFF. We have taken a basic business in which we have imported

from European countries \$573 million worth of automobiles in 1964. We charge other countries 6½ percent import duty. We relieve Canada from the payment of the 6½ percent—to the advantage of the Canadians.

It is my prediction, as it is the prediction of the Senator from Tennessee, that the other nations will make the United States pay for this waiver. We want those GATT negotiations to continue and to succeed, but we will have to pay for this waiver and for our disadvantaging them to the tune of \$573 million worth of business. We will pay for it in agricultural products, in chemical products, in machinery. We will have to pay for it in something.

This is the irony of the situation: As the distinguished Senator from Indiana pointed out, this agreement has been missold to the American people as free trade. This agreement violates every American concept. This agreement violates every iota of what people talk about when they talk of free trade.

I again commend the Senator from Tennessee for rendering a public service in bringing the facts to the attention of the Senate, the people of the United States, the States which are involved, and those who are disadvantaged. We would be not only giving up trumps and aces, in our dealings with 75 other nations but giving them up in the GATT negotiations in Geneva at the present time.

Mr. GORE. Mr. President, I thank the Senator.

Earlier the distinguished Senator from Connecticut cited the fact that, with the exception of Canada, the United States imports more automobiles than it exports.

If we follow this course of equalizing our favorable balance with Canada, our great automobile industry will not only give up a surplus in international trade, but we will also have a deficit in this commodity. According to the logic of this agreement, that would be a wonderful thing for the United States.

Mr. RIBICOFF. Mr. President, is it not even more basic than that? When all is said and done, the basic industry of the United States is the automobile industry. The automobile industry is responsible for a major share of the economic life of our Nation, more so than is any other single industry.

Mr. GORE. Mr. President, highway transportation is, by all odds, the greatest source of employment in the United States.

Mr. RIBICOFF. Mr. President, once we start chipping away and giving away our basic industry in the United States, which this agreement would start to do, we open up a floodgate which would render a grievous hurt to the American economy.

I was interested in the colloquy between the Senator from Indiana and the Senator from Tennessee concerning a dole to displaced workers. We are talking about the automobile industry, not about displacing coal miners or employees in some small industry. Usually such an industry is antiquated and about to be replaced by modernization. When we

talk about the automobile industry we are talking about a basic industry of the country. Once we destroy a basic industry, we make it extremely difficult for those who are displaced and unemployed by reason of such destruction and make it impossible to place the workers in any other industry. We would be displacing a basic segment of the American industrial complex.

Mr. GORE. I agree completely. A few moments ago I said that I would like to demonstrate that ultimately this agreement would result in severe disadvantage to the U.S. consumer.

Now I come to replacement parts. Let me say again that when the parts manufacturer moves from the United States to Canada, only the automobile manufacturing concern can bring his parts, the parts he manufactures in Canada, into the United States duty free. That brings up the question of the average American citizen who needs to buy a part to repair his automobile. It brings up the question of the garage owner in Tennessee, in Louisiana, in Kansas, in Connecticut. From what source will he obtain his supply of parts?

A large automobile agency owner called me out of bed this morning and implored me to persist. He said, "This means that I will have to buy most of my parts in Canada, and pay the tariff. It means that I will have to charge my customers more for parts to repair their automobiles."

I agreed with him, and I was so encouraged I said, "Oh, my, I would like to use this on the floor of the Senate today."

He said, "Oh, for heaven's sake, don't use my name. Don't use my name. General Motors might take their agency away from me."

Parts manufacturers and automobile dealers have had the quietus put on them all over the United States. One Senator after another has told me of instances of it. All the power of this monopoly, this cartel, is exerting itself down to the crossroads garage.

That is not fancy. It is not imagination on my part, or on the part of the garage man down in Tennessee.

I should like to read from a statement found at page 277 of the Senate hearings. The witness is Mr. Allan L. Levine, president, Automotive Service Industry Association. I proceed to the second point of his statement, which begins at the second paragraph on page 277:

Second, the independent parts manufacturer distributes replacement parts for use on the vehicles after the original parts have gone out, and these he replaces generally through warehouse distributors or jobbers.

Let me insert here a comment or two about this.

If you buy a 1965 automobile, the chances are that you won't need many replacement parts for it before about 1967, and the peak time that you will need them and that we sell them will be from 1967 to about 1972. There is about a 5-year period, when an automobile is between 2 and 7 years old, that we have to have the merchandise on our shelves and moving. However, we also have to have it on our shelves from the day the new models are announced because very often a new part will prove to be defective, there are parts that wear out more rapidly

and it is important for an independent manufacturer to be able to get his parts into the hands of the replacement segments of the industry as rapidly as possible.

In order to do this, in order to tool up generally, he has to know what kind of a part goes on there. He can't wait until the new automobile come out and then rip off a muffler and duplicate it. So he works very closely with the vehicle manufacturer and he tries to get a contract to furnish some of the original equipment supplies and parts that a manufacturer will need, and the income he gets from his contract will offset his tooling costs and he will be in a position to supply the replacement parts market.

I wish the Senator particularly to hear this sentence:

And the income he gets from this contract—

That is, with the automobile manufacturing concerns—

will offset his tooling costs, and he will be in a position to supply the replacement parts market.

I continue to read:

Let me also say this is an extremely complicated business because after a part is approximately 7 or 8 years old it is completely useless, if it would only fit one model year. Let's say an exhaust pipe for a 1957 Ford, for example. At this point, it is getting to be quite an obsolete part, and in order to keep the replacement parts wholesaler in business, a replacement parts manufacturer has to have a good obsolescence policy whereby he will take back a certain amount of obsoletes based on previous year's purchases, and so on. So it is an extremely complicated business and one of the things that keeps the parts manufacturer going and able to supply the wholesaler is the fact that he can count on a certain amount of original equipment business.

Mr. President, I digress from the reading of the testimony to emphasize the importance of the proposed agreement to automotive parts and to automotive manufacturers. The agreement provides an incentive for the big four companies to build subsidiaries in Canada to manufacture their own parts. It offers an incentive for them to encourage the industry suppliers themselves to move to Canada, to make their parts cheaper and import them into the United States duty free.

But what happens to the American consumer? That garageman down in Nashville, Tenn., had analyzed the problem for himself. He said, "It means that I will have to buy most of my parts from Canada. I will have to pay the duty. That will cost my customers more. My suppliers will be farther from me. What good does it do the United States?"

I felt that that question was addressed to me, because it is my job to represent the public interest.

The agreement is not in the public interest. It is a very special interest agreement.

I should like to continue to read from Mr. Levine's testimony:

He needs this OEM business to pay for tooling costs—to write off his capital investment, and this makes replacement business possible, as I have indicated, but it is our contention that the independent manufacturers can lose their original equipment business under the proposed legislation, because

the vehicle manufacturer himself will now produce in Canada to fulfill his obligations to the Canadian Government under the so-called letter of intent.

Senator GORE. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator GORE.

Senator GORE. You maintain then that if Congress approves this agreement the automobile manufacturers with whom members of your association have been contracting for the supply of individual parts will be enabled to build subsidiary plants in Canada.

Mr. LEVINE. Exactly what I mean, sir. This is exactly what I mean.

Senator GORE. And produce those parts at lower labor costs than prevail in the United States and then import them free?

Mr. LEVINE. That is exactly right.

Senator GORE. Duty free, to supply their own needs here.

Mr. LEVINE. You have anticipated my next sentence, Senator.

Senator GORE. I go to a question, though. If the individual suppliers in the United States—members of your organization—are denied their contractual relationship with the automakers, will not that result in higher costs of parts to the garages, to the auto supply stores, throughout the United States?

Mr. LEVINE. Exactly, sir; exactly, sir.

You see, it is our contention that in order for the vehicle manufacturers to reach this goal of an increase of \$240 million of export from their Canadian subsidiaries, they are going to have to produce in Canada to fulfill their obligations, they will either buy their original equipment manufacture from the Canadian independent parts manufacturers, or they will have to put up plants to manufacture things in their own subsidiaries in Canada, and then they will export them to the United States duty free for use in new vehicles.

The independent parts manufacturer in this country who had previously enjoyed that business will lose it, and because of higher tooling costs and the lack of this original market, it will result in the higher costs of U.S. replacement parts.

Mr. President, I ask the Senator from Connecticut if that does not demonstrate the contention I made earlier that ultimately it will mean higher costs to the consumers for parts replacement.

Mr. RIBICOFF. The Senator is absolutely correct. The parts that go into original equipment, whether made in the United States or Canada, would be duty free, but once those parts are sent to the dealer on the main street of any town in Tennessee, or the main street of any town in Connecticut, since they are not parts for the original manufacturer of an automobile, they will have to pay the normal American duty. So they do not come in duty free. Thus, we will lose both ways—we will lose jobs and we will lose industries—and, in addition, we as consumers will lose by having to pay a tariff because we have not been protected.

What shocks me about the agreement is that since they were making the agreement in the first place—which I do not believe they ever should have done—at least they should have protected the American consumer on parts coming in from Canada so that he would be in an equal position with the automobile manufacturer—to protect all of us who buy parts—that is, garages, and buyers of automobiles.

In other words, this was an agreement, as the Senator from Tennessee well

points out, to take care of the four major automobile companies, with complete indifference for the rest of the public in every category in America.

Mr. GORE. Is it not strange that Congress is asked to pass a bill to implement a private agreement made by a Canadian subsidiary with the Canadian Government?

Mr. RIBICOFF. I would say it is not only strange, but shocking. I do not know whether in the history of this country—my mind is trying to recollect—there has ever been an agreement executed such as this one, wherein the United States will protect an agreement, or letters of intent, of the Canadian Government with four automobile companies. Even more shocking, at no time has there been brought to the attention of the public, or any committee of Congress, the entire agreement, or letters of intent, or the correspondence between the Canadian Government and these four companies; so that whatever other intentions there may be—and there are some letters in the RECORD—I do not believe that there has ever been produced the entire agreement. Thus, we do not actually know what the agreement contains.

Mr. GORE. The Senator has good reason to be suspicious. He is not the only one who believes that there are still secret commitments. The Tariff Commission, in the report to the Senate Finance Committee, had this to say—and I am reading from page 376 of the hearings:

Further, it would appear from the texts of the four published letters that such letters do not fully express the present collateral commitments and that such commitments might be modified—or new commitments made—in the future.

Thus, the Senate is placed on notice by its own agency—the U.S. Tariff Commission—that the letters which have thus far been revealed, in the opinion of the Tariff Commission, do not represent the total commitment which has been made. Yet, we are asked to pass this bill to implement unknown commitments.

Let me recapitulate. On page 1 of the committee report, the purposes of the bill are set out:

(1) To implement the Agreement Concerning Automotive Products Between the Government of the United States and the Government of Canada, signed January 16, 1965; (2) to authorize the implementation of similar agreements that the President may enter into with countries other than Canada; (3) to authorize the implementation of agreements supplementary to the foregoing agreements—

I digress from reading to state that those supplementaries could be secret agreements already made, or those to be made hereafter.

All the Senate is asked to do is to leap into the dark on this question.

The fourth point is:

And (4) to provide interim special procedures for adjustment assistance to firms and workers suffering dislocation resulting from the operation of the agreement referred to in (1) above.

The Senate is asked to pass this bill to do the four things just enumerated

and printed in bold-face type on page one of the committee report.

Mr. RIBICOFF. It would seem to me that ordinary prudence should dictate that we in the Senate go very slowly. It would also seem that ordinary prudence would dictate that the least the Senate could do would be to hold back on approving any such agreement until the Tariff Commission has had an opportunity to look into the whole matter and come back and tell the Senate and the people of the United States what is in the agreements and what the impact upon American industry, American labor, and the American consumer will be. It would seem to me that that is the least we in the Senate could do.

Mr. GORE. I agree with the Senator from Connecticut.

Mr. HARTKE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I am happy to yield to the Senator from Indiana.

Mr. HARTKE. We talk about secret agreements, and why we should act in a hurry. Sometimes words that come to us come from those who should know best what they expect to receive out of it—that is, the Canadians themselves.

I should like to quote a story which, if it could be published in every newspaper and told on every television program in the United States, I am sure would insure that there would be no hurry on the bill.

This is from the Financial Post of Canada, dated September 6, 1965, on page 13, which states in part:

These have been nervous weeks for the (Canadian) officials running the program, while they wait for Congress to approve the U.S. end of the arrangement. Until it is approved, no one wants to say or do anything that could provide ammunition to the program's enemies in Washington.

Drury and his officials are fully convinced the program will work, that it will mean more jobs in Canada, (and) an improvement in our balance of payments * * *. But until Washington finally passes its legislation the order of the day in Ottawa is "silence."

Mr. President, they are afraid to tell the truth to their own people. They are even afraid to permit the story to come out. They will not even print the letters. The testimony in the committee was uncontradicted, that there are still letters of agreement which have not been publicized. The Canadian Government has said that they are confidential in nature. There is no way for us to take a look at them. There is no way for us to go into Canada and force them to open up their files on these secret agreements.

Mr. GORE. Does the Senator from Indiana agree with the suggestion made by the Senator from Connecticut that we should postpone action on this matter until we do learn what we are asked to endorse?

Mr. HARTKE. I would believe that perhaps the assistant majority leader, the Senator in charge of the bill, might even be inclined to feel that that is a proper solution, because after all—

Mr. GORE. Oh, no, no—he has to solve the Canadian balance of payments

now. Do not place that burden on him. That problem must be solved right away, at the expense of the United States.

Mr. HARTKE. I certainly agree. I agree that an independent study should be made. After all, there is no basic disagreement between the Senator from Tennessee and the Senator from Indiana, or the Senator from Connecticut and the Senator from Louisiana, that if we could really show to the American people that the agreement would provide more jobs for Americans and Canadians, solve the balance-of-payments problems both for Canada and for us, and not destroy industry, but bring the people on both sides of the border to that wonderful day for the United States and Canada—that is what we are trying to accomplish by GATT—

Mr. RIBICOFF. That is supposed to be the objective.

Mr. HARTKE. The State Department has agreed that if this agreement is adopted, the idea that we are going to have further negotiations with Canada on this matter is a mistaken one.

Perhaps we could receive an agreement from the Senator from Louisiana that there be real findings of fact made on this problem so that we might be convinced of what we are doing.

Mr. LONG of Louisiana. Mr. President, the statement has been made that the Senator from Louisiana is more interested in helping the balance-of-payments problem for Canada than in helping to solve the problems of this country. But let me point out that the administration, a Cabinet-level committee—which included the Secretaries of State, Commerce, Treasury, and Labor, and Governor Herter—majority of the members of the Cabinet, two-thirds of the House of Representatives and the House Ways and Means Committee, three-quarters of the members of the Finance Committee of the Senate approved the measure. So if there is to be an indictment, let us put the indictment on everybody except the few who have their own views as to the way of righteousness.

Mr. HARTKE. Is the Senator afraid to find out the facts?

Mr. GORE. Mr. President, I should like to respond by saying, Let the facts speak for themselves. Who benefits from the agreement? I do not see how name calling is going to do any good. The question is, Who benefits? Not the American people. Who are the beneficiaries in the United States? Name one. Our balance-of-payments situation is not a beneficiary. Our employment picture will not be a beneficiary. Who benefits? The automobile manufacturers themselves, and they alone. Who is hurt? Who are the victims?

Mr. LONG of Louisiana. Let me answer the question.

Mr. GORE. Let me answer the question. Then I will yield.

Mr. LONG of Louisiana. I thought the Senator was asking me a question.

Mr. GORE. Who are the victims in the United States? The consumers. The people who must buy parts to repair their automobiles. Not the owners of Cadillacs. Oh, perhaps one may be in a wreck or in need of a carburetor, but

I am talking about people who use automobiles from 2 to 7 years. Talk to the president of the Automotive Service Industry Association. Ask him what the unemployment situation will be. The automobile parts wholesalers testified that this agreement would cause higher prices for parts to repair automobiles in the United States.

Who are the other victims? The thousands of small businessmen who are manufacturing automotive parts. Who are the other victims? The workers, many of whom—hundreds of whom—have already received notices that they are out of jobs.

Who else? The taxpayers, who will have to bear the cost of the dislocation of industry, the bankruptcy of small businessmen, the unemployment of workers, and the balance of payments.

Who are the beneficiaries in Canada? The subsidiaries of the big four, the American automobile companies concerned. They, and they alone, will import duty free from the United States.

Who else will benefit in Canada? The companies that will want to buy Japanese automobiles, have them shipped into Canada, and then ship them into the United States, so that they can come into the United States duty free. The Volvo people, which organization is already established in Canada, will also be able to ship automobiles into this country duty free. Also, the concerns that are already planning to bring parts and assembly plants for the Volkswagen, so they can invade the American market, duty free.

What else? The balance-of-payments problem in Canada.

If I have an anti-Canadian sentiment in my system, I am unaware of it. I am prepared to accept free trade between the United States and Canada from the Hudson Bay to the Gulf of Mexico. But I am not prepared to endorse this closed cartel for the future that is for the benefit of neither the American people nor the Canadian people, but primarily for the automotive manufacturing concerns. And I am not sure they will be happy very long.

The senior Senator from Indiana [Mr. HARTKE] made a prediction yesterday that by the time this flood of Japanese automobiles, Volvos, Volkswagens, Renaults, and Peugeots, and whatnot, flood the American market, the automobile manufacturers may be sick of this deal and want to close this gap. I do not know; I have thought many times of the statement made by the senior Senator from Indiana [Mr. HARTKE]. He may be right. But we do not have to wait long and speculate as to the others who are going to be hurt. I read telegrams from people who have been thrown out of work. I could read to the Senate telegrams from my own State.

Mr. President, we have been speaking in generalities. We have been talking about the higher cost of production in Canada. There are some automotive parts that can be manufactured more economically or cheaply in Canada than in the United States.

Let us talk about ball bearings, a rather basic element in an industrial state. Bearings from Canada are now

competing in the U.S. market even after the payment of the tariff. When the tariff is taken off completely, what does that do to the American manufacturer?

It happened that a very successful manufacturer of bearings testified before the committee, and he indicated that he might have to establish a factory in Canada. This indication has come from many.

Mr. President, I have been thinking about the suggestion made by the Senator from Connecticut that action on this bill should be postponed. The more I think of it, the better I think of it. There are, it seems to me, several reasons why the suggestion has merit.

It is obvious from the report made to the Finance Committee by the Tariff Commission, which I have already cited, that other agreements may be in effect.

The agreement which the Senate is asked to endorse is already provisionally in effect, with Canadian duties not being collected and U.S. duties not being liquidated. Whatever this agreement will accomplish for good or ill is already underway. For all practical purposes, the agreement has been in effect for 8 months.

The pending bill is retroactive. A delay in this legislation of 3 months will not hurt the automobile companies. Indeed, they will continue to collect their rebate on Canadian tariffs and have it securely in their purse. Such a postponement would give the Senate an opportunity to form a responsible judgment.

When I conclude my remarks I shall offer a motion to postpone consideration until a day certain in January.

The purpose will be to permit the Senate to learn the facts and to give the U.S. Tariff Commission time for further study of this entire question, including the following:

First. Probability of additional and, as yet, unrevealed, commitments between the automotive big four and the Canadian Government.

Second. Possibility or probability that market forces alone will not be able to support the amount of Canadian production envisioned by the Government of Canada after 1968. If there must be new, artificial guarantees to Canada running indefinitely into the future, we should have some idea as to what their magnitude might be, because according to the committee report the bill would endorse supplementary agreements made or yet to be made.

Third. A determination as to what we might likely face in the GATT Conference.

Fourth. The effect this agreement will have upon the Kennedy round; and the effect it will have upon the farmers who may, by reason of this agreement, lose their opportunity for increased exports of farm commodities to Western Europe.

Moreover, we need to learn more about the effect of this agreement upon the small businessmen in this country and manufacturers of automobile parts. Some of them already face competition from new Canadian facilities. Some may benefit by moving to Canada. That is possible.

But what of their employees who are left at home unemployed? How much will that cost the taxpayers? We need to know the cost of the measure.

Fifth. I would like the Tariff Commission to make a study of the possible danger of greatly increased imports of European and Japanese made automobiles and parts via Canada, as a result of this agreement.

I point out that after 1967 the Canadian content requirement is only 50 percent, and it is said that assembly alone on automobiles amounts to about 30 percent. We may be opening a dangerous situation, not only from the invasion of this market by European and Japanese automobiles but, as the senior Senator from Michigan pointed out yesterday, Studebaker, manufacturing exclusively now in Canada, will have free entry into the U.S. market. If Studebaker can move entirely to Canada and still supply the American market, duty free, American Motors could do the same thing.

This is rather unlimited. The potential dangers are great. The Senate needs to think several times before approving this agreement.

Mr. President, shipment of assembled automobiles into the United States in large numbers is not, therefore, to be expected. The additional Canadian production will likely be largely in automotive parts, and many U.S. parts producers are already either moving some of their facilities to Canada, or shutting down facilities or curtailing production in the United States. The cost of producing certain parts, particularly those where investment per worker is relatively low, is not necessarily higher in Canada. Indeed, with wage scales averaging some 50 cents per hour lower in Canada among automotive workers, cost of production of some parts could be considerably lower in Canada.

These benefits to be derived from the complete removal of duty are to be realized only by automobile manufacturers. The burden of transferring these benefits to the big four must be borne largely by the independent parts manufacturers in the United States, of which there are some 10,000 firms which are regular suppliers of parts to the automotive industry, and by their employees, many of whom are not members of the UAW.

With the above facts in mind, then, what can be said about a bill which would implement an official agreement between our Government and the Government of Canada, and which would also implement privately negotiated side deals between the Government of Canada and the automobile manufacturers, the obvious, the stated, the undisputed purpose of which is to shift a well defined amount of automotive production from the United States to Canada?

One may first speak of violated principles. In a pragmatic society such as ours, principles are often breached. And this may not necessarily be improper. What is highly, dangerously, improper is the failure to recognize, and label for what they are, actions which make a shambles of principles. If such actions are acknowledged, but nevertheless un-

dertaken out of necessity, underlying principles will survive. They can hardly survive when they are breached without a recognition of the fact.

The administration has attempted to mislead the Congress and the public in this particular instance. There has been an attempt to masquerade as "free trade" or "freer trade" an agreement which is the very antithesis of free trade and which, in fact, goes so far as to give official sanction to a nascent cartel.

This legislation would completely desecrate our whole philosophy, concept and implementation of international trade.

Since World War II, the United States has busied itself in efforts to rebuild and strengthen the free world, tying it together, fasces-like, with political, cultural and economic bands, one of the strongest of which is the multilateral and reciprocal approach to freer trade. This bill we are now asked to approve moves strongly and directly away from this approach and specifically violates our "unconditional most-favored-nation commitments to the more than 60 contracting parties to the GATT." This is contrary to the procedures laid down by the Congress in the 1962 Trade Expansion Act. Our negotiators at the Kennedy round can hardly overcome the French sphinx with a weapon of this sort which the administration is forcing into their hands.

I think this point is worth emphasizing. We do not take lightly treaty violations by other countries. Why, then, should we, ourselves, treat in so cavalier a manner a solemn treaty obligation?

State Department spokesmen have told the Finance Committee, as though this were a matter of no consequence, that a waiver can be obtained. Yes, I suppose a waiver can be obtained. But objections to this agreement have already been registered, and I would be interested in finding out—if such is ever possible—just what our State Department negotiators end up paying for a waiver. I hope such information will be included in the first report which the President makes to the Congress on this agreement.

On principle, this agreement, with its accompanying side deals, all implemented by this legislation, is without excuse—albeit not without excusers.

But I would not base my opposition on principle alone. Let us look at some of the cold, hard practicalities involved here.

To begin with, this arrangement helps to establish and give official sanction to a cartel in the automotive field. The Canadian subsidiaries are to split their production, at least their increased production, according to a specified formula.

In the letters signed by officials of the Canadian big four automobile companies, the terms of expansion—division of the market—are clearly set forth. Each company is to begin from its 1964 base and build on that a fairly well defined increase in production. Each company is to increase production in accordance with its current Canadian value added and increased sales, and in addition is to increase its production by model year 1968, or see to it that its vendors increase their production, by stated dollar

amounts—General Motors by \$121 million, Ford by \$74.2 million, Chrysler by \$33 million, and American Motors by \$11.2 million. This should operate quite nicely to keep the market divided among these companies in roughly the above ratio.

And, with the further integration of the entire North American automotive market, this ratio should be pretty well maintained and, in fact, spill over into the U.S. market.

It is a strange performance—having the Government of the United States lend official sanction to a nascent cartel.

Another very practical effect of this agreement will be the increased cost of automotive parts for U.S. consumers. This may be a bit difficult to understand if one has not studied the structure of the parts industry.

Most parts producers make parts for both original equipment and replacement. Having secured a contract from one of the big automobile manufacturers, the parts manufacturer—and there are about 10,000 of these, mostly small business, which regularly supply automotive parts to the big companies—can then proceed to manufacture, and market through wholesalers and such national chains as the Western Auto Stores, replacement parts for independent garages and even for the big four dealers. Because his dies and basic equipment can be paid for in his contract for the original equipment parts, this small manufacturer of automotive equipment and parts can supply the replacement demand fairly cheaply. He can hold down prices for the benefit of the consumer who must maintain his car for 5 or 10 years.

The result of this agreement, however, will be to move many parts manufacturers to Canada, or to start up new operations there, perhaps financed by and more closely tied to the big four, with the consequent loss of original equipment business by the American parts manufacturers. If one of these small manufacturers loses his original equipment business to a Canadian manufacturer, he either goes out of business altogether, or else he must raise his replacement parts prices to American consumers.

But, one might say, the part can be imported cheaply from the new Canadian supplier of original equipment. That is an easy but insufficient answer.

Due to the way this agreement is rigged in favor of the big automobile manufacturers, the duty is removed for original equipment parts, but not for replacement parts. Thus, if the small U.S. business closes down and the part must be imported from Canada, the duty must be paid by the U.S. consumer on his replacement part. The cost of keeping an older car in running order will certainly increase.

Another major way in which all of us will be hurt is in the effect this agreement will have on our balance of payments.

The Secretary of Commerce is directly concerned with the balance of payments, particularly with respect to the encouragement of exports and the discouragement, under the President's program of

"voluntary" restraint, of foreign direct investment by our large corporations.

Just last weekend, the press took note of an unpublished report, said to have been made to the White House by Secretary Connor. This report, according to the press, outlined the foreign investment of our big corporations for the first 6 months of this year, and, not at all surprisingly, concluded that the "voluntary" program had not thus far shown any concrete results. Indeed, overseas investment during the first 6 months of this year amounted to some \$1.7 billion as against the comparable figure of \$2.4 billion for the entire year 1964. And during 1964 the President's "voluntary" program under which the big corporations were supposed to help out the Government, and all of us, by slowing down their foreign investment, was not in effect. So we are doing worse.

But should one be surprised at this when the same Secretary Connor, who is supposed to encourage these big corporation managers to slow down their foreign investment, exerts such pressure in behalf of foreign expansion of the big four automobile companies by supporting this improvident agreement?

There are two elements involved here in the balance of payments.

First, consider investment. The Canadian subsidiaries of the big four, as well as many parts manufacturers, must spend many millions of dollars in Canada to increase facilities for the extra automotive production which this agreement will push across the border. Administration spokesmen play this down, stating that the big four can expand with retained earnings and Canadian borrowings.

I never cease to be amazed at the lack of understanding evidenced by such statements. If a dividend which ought to be repatriated, and which has in the past been repatriated, to help out on our balance of payments is kept abroad, this is reflected on the ledger just as though a new dollar were dispatched overseas. If an individual's income is cut in half, his bank balance will suffer just as much as if he had made a comparable increase in his expenditures. It really should not be necessary to point out such elementary matters, but it is.

Let us look at the Canadian subsidiaries of the big three. Last year they paid dividends of only \$14.4 million. But for each of the preceding 3 years they had paid a steady \$45 million to \$48 million. Ford of Canada has a minority ownership, but otherwise these dividends come right back into the United States to the parent corporations and help to balance out funds shipped abroad by these same, or other, corporations.

So, earnings and profits are being retained in Canada for Canadian expansion, to the detriment of our own balance of payments.

The other factor is the trade balance in automobiles, trucks, and automotive parts.

We have a large automotive trade balance with Canada in our favor. We should, because this industry is one of our most efficient. Canada has a large balance in her favor in sectors where her

production is better and cheaper, such as paper and pulp products.

Now, with an expanding North American automotive industry, it should be expected that our favorable automotive trade with Canada would increase. Secretary Connor told the Finance Committee that our balance would not increase under this agreement "at the rate that it would have if economic conditions alone prevailed," although he contended that our balance of trade would increase some.

But even this is disputed by Treasury. That Department furnished statistics to the committee which showed that our automotive trade balance with Canada would be slightly less for the 1968 model year than it was for 1964. And I am inclined to think that even Treasury's figures are optimistic.

The conclusion, then, is inescapable. Our balance of payments will be hurt, and hurt seriously, by funds for expansion being shipped to, or retained in Canada, as well as by the failure of our automotive trade balance to increase in proportion to overall market growth.

Now, Mr. President, I would like to take a closer look at this legislation and agreement and point out some things which deeply disturb me.

The thing which disturbs me most is the fact that this legislation takes cognizance of, and is based in part on, privately negotiated deals between the Canadian automobile big four and the Canadian Government. As I read the language of section 302(1)(4) of this bill, not only are the private agreements already entered into between the Canadian big four and the Canadian Government recognized here, and by inference made a part of the agreement, but similar side deals which may be negotiated in the future are also recognized.

This is altogether one of the strangest things in my experience. The taxpayers of the United States are to pay for damages to U.S. workers and investors who may be hurt by privately negotiated side deals between the Government of Canada and Canadian companies.

Even though this agreement and legislation are incomprehensible without a knowledge of the letters signed by the Canadian big four officials, and which guarantee the transfer of a sizable slice of U.S. automotive production to Canada, the State Department has maintained what is, to me, an alarmingly detached attitude toward these letters. And they seem not to be aware that new letters will likely be demanded in 1968.

All in all, the State Department has displayed a lack of either candor or competence—and perhaps both.

Our State Department officials will not admit to having seen the letters of commitment prior to their publication during the Ways and Means Committee hearings. And yet these letters are the real kernel of this nut.

Secretary Connor even made this completely astounding statement:

I think, Senator DOUGLAS, this is a subject that having been raised by these letter arrangements that each of the Canadian subsidiaries has made with the Canadian Gov-

ernment might properly be explored with the manufacturers when they are before you, because it does involve considerations with which we are unfamiliar.

And yet, let me repeat, these letters are really part of this agreement and their effects are provided for in the bill now before us. And there will in all likelihood be new letters in 1968.

These letters are so important that Mr. Roche, president of General Motors, referred to them as outlining "requirements for us to continue operating in Canada."

But, if this were not bad enough, let us look ahead to 1968.

The agreement calls for a comprehensive review of this operation in January between the Governments of the United States and Canada.

What does the Canadian Minister of Industry expect of this comprehensive review? Here is a part of his statement issued on the eve of the signing of the agreement last January.

While Canada-United States agreement is of unlimited duration, it provides for a comprehensive review of the whole program to be undertaken in 1968. At that time, consideration will be given to such further steps as may be necessary or desirable for the full achievement of the agreed objectives. In particular, Canada will wish to be assured that institutional barriers now limiting Canadian production and trade have been eliminated or substantially reduced and that the initial program has gathered sufficient momentum to insure that market forces, unaided, will provide adequately for the situation after 1968. The test will be whether the Canadian automotive industries have adequate opportunity to participate fully and equitably in the expanding North American market.

The clear implication is that if the Canadians are not satisfied that market forces, unaided, will make the Canadian automotive market grow at a faster rate than Canadian consumption, then additional letters pledging aid to the market forces will be required of the Canadian big four.

If the United States objects, the agreement will be canceled.

This prospect is further borne out by the concluding paragraph, identical in the case of three of the big four, with the exception of the use by Ford of the editorial "we," of the letters of commitment.

I understand that before the end of model year 1968 we will need to discuss together the prospects for the Canadian automotive industry and our company's program.

Would anyone doubt, in the face of these statements, that Canada will continue to insist, after 1968, on transferring yet another segment of American automotive production into Canada?

I would venture a prediction that, in 1968, Canada will require a somewhat lesser guarantee from the Canadian automobile companies, say, \$150 million over and above growth, as against \$241 million for the current period. And the State Department will then claim a victory for reducing Canada's demands.

Now, Mr. President, I would like to say a word about the adjustment assistance procedures in this bill. This more or less completes the farce.

It has been claimed that the Trade Expansion Act of 1962, which initiated this new concept of government assistance for workers and owners hurt by foreign trade concession-induced loss of production has not worked well. Admittedly the procedures are somewhat rigid, but in my view, it is better to begin a new program of that sort with rigid standards which can be loosened as need dictates. To reverse that process is almost impossible, politically.

But in this bill, all the bars are down. The President can extend vast benefits in unspecified amounts at times and places of his own choosing. But this largess is only for those affected by this Canadian agreement. Other workers and owners, equally hard hit by other trade concession-induced losses would be left to proceed under the rigid specifications laid down in the 1962 act.

If the 1962 act is, in fact, faulty, let us amend it. But let us not create yet another favored group in the automotive industry. And that is just what we will do on the passage of this bill.

Finally, let me mention a, perhaps, minor objection, but one which is often raised by the administration in other instances. This agreement and bill are based on an "end use" concept. In other words, in limiting duty-free treatment to parts used as original equipment in assembling an automobile, each individual part, spark plug, break pedal, rubber cover, carburetor, fan belt, and so on, imported duty free must be used on a new automobile. There can be no substitution.

This cannot possibly be enforced. There will be all sorts of violations, intentional and unintentional, and the way thus opened for easy violations of customs laws and regulations will likely lend encouragement to other evasions.

The above are just a few of the practical effects of the adoption of this bill. But there are two other objections which possibly transcend all these.

The power of the President, at least since the 1930's, has been on the ascendancy, with a corresponding diminution of the power and prestige of the Congress. We have now reached a position of serious imbalance. The ratification of the President's action in negotiating this trade agreement will further erode the Congress' standing. Not since 1911 has the President negotiated a trade agreement of this sort—one requiring implementing legislation—without prior authority of Congress. Ample authority for negotiation now exists in our general legislation, particularly in the 1962 act. But, in this instance, the President has chosen to ignore this line of authority.

The other really important point in all this relates to our foreign policy. Our government-to-government negotiations, we regretfully must conclude, are woefully weak. But it is even more vital that we maintain a proper people-to-people stance, particularly in our dealing with democratic countries, which Canada certainly is in every sense of that term.

The people of Canada, the consumers of Canada, clearly identify the Canadian automobile companies, the big four, as U.S. corporations, and properly so, even

though technically they are incorporated in Canada as subsidiaries of the U.S. parent corporations. Canadian consumers can already begin to see that, as a result of the various deals, official and unofficial, which will be ratified by this legislation, the Canadian consumer is not to be benefited. Rather, the automobile companies—U.S. giants, oppressive corporations, in the eyes of many Canadian consumers—are now to pocket the approximately \$50 million which formerly went to the Canadian Government in duties. The Canadian citizen, then, qua taxpayer, must make up this deficit in his Government's income. The Canadian citizen, qua consumer, must still pay an exorbitant price for his automobile, when he ought to be able to go across the river to Detroit and buy the same automobile for 15 percent less. A Canadian automotive subsidiary of our big four can import duty free, but not a Canadian citizen.

This does not further good people-to-people relationships.

The same situation exists, of course, with America's importing automotive parts from Canada. The big four automotive companies can import parts, however cheaply made, from Canada duty free, but not a garage, repair shop, or auto parts supply store. Free trade? For whom? Not the people of either Canada or the United States.

This agreement, together with the private side agreements, must stand revealed as a special interest, very special interest, device. The beneficiaries—and the benefits are vast—are the automobile manufacturing companies. Its victims will be the U.S. auto parts industries, mostly small business, and their employees, the U.S. economy, and our difficult balance-of-payment problem.

The real excuse for this arrangement—and this has been advanced over and over by administration spokesmen—is that without it we face a trade war with Canada and our situation, it is said, would then be worse than it will be under this government-to-government agreement and the private agreements entered into between the automotive companies and the Canadian Government. Of course, a trade war, or any other kind of war, is always possible, but sensible men deal in probabilities, not possibilities, when negotiating on any subject and at any level of individual, group, organization, or governmental activity.

What are the probabilities in this instance? The United States and Canadian economies are closely interwoven. The Canadian economy could not survive a trade war with the United States. Moreover, the political balance in Canada is delicate, to say the least, and the political party currently in power holds the reins somewhat tenuously. A trade war, even limited to automobiles, would result in higher prices for automobiles in Canada, at least a temporary loss of jobs in certain segments of Canada's automotive industry, and generally acute unhappiness on the part of the Canadian consumer-voter with the Canadian party in power. The overall disenchantment of the Canadian voter would very soon be translated into concrete political activity.

Of course, the U.S. Government should have taken some type of action in 1962 when the first limited duty rebate plan was unilaterally initiated by Canada. It certainly was inexcusable to continue to ignore Canada's actions after the broad remission scheme was begun. Now, to meet a situation which has been allowed thus to mushroom, we have entered into an agreement which will result in an even further deterioration of our position. Our automotive industry will see a larger increment of production shifted to Canada under this agreement than would have been the case under Canada's unilateral duty remission scheme. Our balance of automotive trade will be less favorable under this agreement than it would have been under the duty remission scheme.

I do not wish to end on a negative note. There is a real problem—a growth problem and a consumer problem—to be dealt with here. I want to see the Canadian economy grow, but it should grow in its most, not least, efficient sectors. Let us, then, break down the economic forts and outposts along our common border just as we long ago freed the breadth of our continent, from the St. Lawrence to Puget Sound, of military barriers to mutual trust, friendship and progress.

And let us move forward for the benefit of the consumers of Canada and the United States. This cannot be done by emphasizing inefficiency on a commodity-by-commodity basis. It can be done, through truly freer trade, thus increasing Canadian production in such commodities as paper and U.S. production in such commodities as automobiles, with lower prices for all consumers.

All in all, it is most difficult to see anything to commend, but much to condemn, in the subject transaction.

The public interest requires rejection of this improvident agreement.

Mr. President, I move that action on the pending bill to postponed until the second Monday in January.

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry. Is that motion debatable?

The PRESIDING OFFICER. The motion is debatable, and the motion is in order.

Mr. LONG of Louisiana. Mr. President, I shall discuss another subject for a moment, and then I shall discuss the automobile agreement further, with special reference to some of the things said in debate today.

THE SUGAR ACT

Mr. LONG of Louisiana. Mr. President, the action of the House Committee on Agriculture with reference to the proposed amendments to the Sugar Act and the events that have transpired since that time have brought considerable criticism to the House of Representatives. It emphasizes more than ever the duty of the U.S. Senate to act responsibly to retrieve what could very well be a most unfortunate situation.

It is necessary that we pass a Sugar Act this year to protect American farmers and sugar mills and refineries. A

few years ago, there was a worldwide scarcity of sugar. At that time, this Nation encouraged farmers to produce more sugar and, in some instances, made loans to new concerns in order that they could establish themselves in the business of providing more of this Nation's needs, thereby making us less dependent upon less certain overseas production. Those who entered business at that time to provide a needed commodity in scarce supply did not have the needed production marketing quotas to sell their sugar when the product again came into surplus supply. Some of those concerned have been forced into receivership and others are desperately in need of the necessary marketing quotas. This condition exists, generally speaking, throughout the areas that produce sugarcane as well as sugarbeets within the United States. When we are successful in passing the new sugar bill this condition can be corrected.

The particularly unfortunate situation that has developed exists with regard to foreign quotas. Historically, this Nation relied upon Cuba to provide most of our requirements of sugar. In order to make it possible for the Cuban industry to carry large inventories to protect us in emergencies and in order to permit a reasonably decent standard of living for Cuban workers, this Nation purchased its Cuban requirements at a premium. In subsequent years, other Latin countries importuned this Nation for a share of the favorable treatment accorded to Cuba. After the Castro takeover, our offshore requirements were spread generally among friendly Nations, mostly Latin American countries with whom we have traditionally had close, friendly ties. There has always been some logical pattern to administration recommendations under both Democratic and Republican Presidents to suggest why some countries should receive larger quotas than others.

In the present instance, the Department of Agriculture in cooperation with the Department of State considered a number of factors. One factor was the amount of quota that the country had been accorded in previous years. A major factor related to the cooperation that sugar-producing countries gave the United States at a time when there was a worldwide shortage of sugar. Those countries that sold us sugar, in some instances below the world market price, were accorded more favorable treatment than those countries which failed to deliver even up to the quotas which, at the time of enactment by Congress, had intended to be purchased at a premium above the world market. The administration did not have the power to promise what Congress would do. Those who came for our help in our hour of need were assured that they would not be forgotten when the situation reverted to a surplus supply of sugar in the world.

These are the considerations that prompted the administration's recommendations on foreign sugar quotas.

Congress, of course, has the right to make changes in administration recommendations. Sugar producers of some

countries retain representatives in the legal profession to seek favorable treatment by the appropriate committees and by the two Houses of Congress. The result has been that the House committee made drastic changes in administration recommendation which many of us fail to understand. Both the press and foreign ministers representing countries adversely affected have suggested that undue influence was brought to bear in one way or another. The controversy over foreign sugar quotas has gone to the point that it is now suggested in the House that countries be denied the premium price and that all offshore sugar purchases be purchased at world market prices. It may be that the House will feel compelled to agree to such an amendment to extricate itself from a parliamentary situation. If that should be the case, then I feel that the Senate should restore the premium price and consider restoring the quotas substantially, if not precisely, in line with the administration's recommendations. I say this as one who in previous years voted for such an amendment to require offshore purchases at world market prices, and I believe that my difference in position on this occasion is well justified by the facts that exist today.

When countries have become accustomed to a favorable trading situation they tend to feel that they have been denied their just deserts when they are deprived of something that they had come to accept as a fact. At present we are relying heavily upon friendly nations in the Organization of American States to understand our difficult problems in resisting the spread of communism in this hemisphere. The situation in the Dominican Republic is particularly critical and we very much need responsible and constructive thinking by our Latin neighbors. If that situation is to be resolved to the best advantage of our people in this hemisphere, there could hardly be a worse time to anger and infuriate good people who are pleased with the traditional business they do with the United States. Particularly, would this be so if those people should suffer economic hardship after commitments had been made to them and assurances had been given that they would be rewarded for the assistance and cooperation that they gave this Nation in our hour of need.

I am frank to say that if the House should pass the sugar bill that was reported by the Agriculture Committee of that body, it is not likely that we will be able to persuade the senior members of the Agriculture Committee to accept the administration's recommendations in conference unless the House should adopt the amendment relating to world prices or insist on a motion to recommit to the committee with instructions and thereby strengthen the hand of the Senate conferees when they meet with those from the House. This is so because the House conferees do not represent sugar producers to the extent that the Senate conferees usually do and they are in a position to be completely adamant and let the whole measure die without suffering the repercussions that would occur in major sugar producing areas. This has tradi-

tionally been a cause of complaint in the Senate in acting on the legislation. The majority of Senators have felt that sugar legislation was needed to a greater degree than a majority in the other body. In the hope that we can act responsibly and in a manner above any possible reproach in the Senate, I am urging the chairman of the Committee on Finance, the Honorable HARRY BYRD of Virginia, to call hearings on this matter at the earliest possible date.

I have introduced the administration's recommendations both as a Senate bill and as an amendment to a House-passed bill. This alternative approach has been used in the event that the chairman and some members of the committee might feel that we should rely upon the constitutional requirement that revenue measures must originate in the House of Representatives. The Committee on Finance used this approach some years ago on a relatively less important measure known as the honey bee bill, with amendments to the Sugar Act. This matter is extremely important both to sugar producing areas and to our international relations.

Congress should not adjourn until we have settled it in the national interest.

There has also been some suggestion that the consideration of the Sugar Act be delayed in the hope of forcing some Senators who oppose the repeal of section 14(b) of the Taft-Hartley Act to be present and answer quorum calls in the fight that is soon to ensue over that important piece of labor legislation. This is a totally irresponsible approach.

Sugar is neither a Democratic nor a Republican commodity, nor can it be regarded as a labor or management commodity. Senators and Congressmen from sugar-producing areas are both for and against the repeal of section 14(b) depending upon their views on matters that have nothing whatever to do with sugar and, for that matter, that have nothing to do with our foreign relations. We have not permitted any other major piece of legislation to be prejudiced by the fight that will ensue over the efforts to repeal section 14(b) and we should not permit that to happen in connection with the sugar legislation.

SUGAR LOBBYISTS

Mr. WILLIAMS of Delaware. Mr. President, in today's issue of the Washington Daily News there appears an editorial entitled "Mr. FINDLEY, Sugar, and Lobbyists." The editorial points out Representative FINDLEY's effort to amend the sugar bill in a manner to better protect the interests of the American consumers.

I compliment Representative FINDLEY upon his efforts and wish him success. However, I point out that should he fail, there will be another chance when the bill comes to the Senate for consideration.

The fantastic fees that have been paid to some of the sugar lobbyists exceed all realms of propriety, and Congress would be negligent in its responsibility if it sat idly by and permitted the bill to pass without protest, or without amending it

in a manner to better protect the American consumer.

I ask unanimous consent that the editorial, entitled "Mr. Findley, Sugar and Lobbyists," be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. FINDLEY, SUGAR AND LOBBYISTS

To Congressman PAUL FINDLEY, of Pittsfield, Ill., the sugar users in this country owe a debt for at least trying. Mr. FINDLEY has not won his battle to change the high price-fixing law on sugar. But he is one of the few to challenge this law, and he has scored an opening.

He has won the right to offer amendments on the House floor to a 5-year extension of the law proposed by the House Agriculture Committee, which virtually has been a czar in deciding who would sell sugar in the United States.

If the committee and its chairman, HAROLD COOLEY, of North Carolina, had had their way, the bill would have gone to the House floor under a "gag" rule—no amendments.

Mr. FINDLEY has two amendments, which the House now will get a chance to vote on. He wants to bar from the privileged list of countries permitted to sell sugar to the prize American market any foreign producers who hire Washington lobbyists. And he wants to impose a Federal tax on imported sugar to recapture part of the premium prices (over world prices) the United States pays for its sugar under this law.

In short, Mr. FINDLEY is trying to take the "gravy" out of the sugar business.

As it is, U.S. consumers are paying about 3 cents a pound more for sugar than consumers in, say, Canada. This is because of the sugar law.

In the sugar bill approved by the Cooley committee, Mr. FINDLEY says nine countries awarded quotas for the first time were represented by lobbyists. Argentina, which had no lobbyist, had its quota severely reduced.

So Mr. FINDLEY wants to know how much influence lobbyists have in setting quotas. His amendment is intended to reduce their influence to nil.

Some of the lobbyist fees run as high as \$50,000 a year, and in the past at least some fees have been hinged to the size of the quotas.

Mr. FINDLEY has other questions about the validity of the sugar law, such as whether the law is really necessary, as its backers claim, to assure the country of an adequate supply of sugar. Before Congress acts, all these questions should be answered.

Moreover, the present law does not expire until December 31, 1966. Why, then, is there such a rush about jamming through a 5-year extension in the 1965 session of Congress, without answers to these questions?

HEART DISEASE, CANCER, AND STROKE AMENDMENTS OF 1965

Mr. HILL. Mr. President, I ask that the Chair lay before the Senate the amendments of the House to S. 596.

The PRESIDING OFFICER (Mr. GORE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 596) to amend the Public Health Service Act to assist in combating heart disease, cancer, and stroke, and other major diseases, which were, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Heart Disease, Cancer, and Stroke Amendments of 1965".

SEC. 2. The Public Health Service Act (42 U.S.C., ch. 6A) is amended by adding at the end thereof the following new title:

"TITLE IX—EDUCATION, RESEARCH, TRAINING, AND DEMONSTRATIONS IN THE FIELDS OF HEART DISEASE, CANCER, STROKE, AND RELATED DISEASES

"Purposes

"SEC. 900. The purposes of this title are—

"(a) Through grants, to encourage and assist in the establishment of regional cooperative arrangements among medical schools, research institutions, and hospitals for research and training (including continuing education) and for related demonstrations of patient care in the fields of heart disease, cancer, stroke, and related diseases;

"(b) To afford to the medical profession and the medical institutions of the Nation, through such cooperative arrangements, the opportunity of making available to their patients the latest advances in the diagnosis and treatment of these diseases; and

"(c) By these means, to improve generally the health manpower and facilities available to the Nation, and to accomplish these ends without interfering with the patterns, or the methods of financing, of patient care or professional practice, or with the administration of hospitals, and in cooperation with practicing physicians, medical center officials, hospital administrators, and representatives from appropriate voluntary health agencies.

"Authorization of appropriations

"SEC. 901. (a) There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, \$90,000,000 for the fiscal year ending June 30, 1967, and \$200,000,000 for the fiscal year ending June 30, 1968, for grants to assist public or nonprofit private universities, medical schools, research institutions, and other public or nonprofit private institutions and agencies in planning, in conducting feasibility studies, and in operating pilot projects for the establishment of regional medical programs of research, training, and demonstration activities for carrying out the purposes of this title. Sums appropriated under this section for any fiscal year shall remain available for making such grants until the end of the fiscal year following the fiscal year for which the appropriation is made.

"(b) A grant under this title shall be for part or all of the cost of the planning or other activities with respect to which the application is made, except that any such grant with respect to construction of, or provision of built-in (as determined in accordance with regulations) equipment for, any facility may not exceed 90 per centum of the cost of such construction or equipment.

"(c) Funds appropriated pursuant to this title shall not be available to pay the cost of hospital, medical, or other care of patients except to the extent it is, as determined in accordance with regulations, incident to those research, training, or demonstration activities which are encompassed by the purposes of this title. No patient shall be furnished hospital, medical, or other care at any facility incident to research, training, or demonstration activities carried out with funds appropriated pursuant to this title, unless he has been referred to such facility by a practicing physician.

"Definitions

"SEC. 902. For the purposes of this title—

"(a) The term 'regional medical program' means a cooperative arrangement among a group of public or nonprofit private institutions or agencies engaged in research, training, diagnosis, and treatment relating to heart disease, cancer, or stroke, and, at the option of the applicant, related disease or diseases; but only if such group—

"(1) is situated within a geographic area, composed of any part or parts of any one or

more States, which the Surgeon General determines, in accordance with regulations, to be appropriate for carrying out the purposes of this title;

"(2) consists of one or more medical centers, one or more clinical research centers, and one or more hospitals; and

"(3) has in effect cooperative arrangements among its component units which the Surgeon General finds will be adequate for effectively carrying out the purposes of this title.

"(b) The term 'medical center' means a medical school or other medical institution involved in postgraduate medical training and one or more hospitals affiliated therewith for teaching, research, and demonstration purposes.

"(c) The term 'clinical research center' means an institution (or part of an institution) the primary function of which is research, training of specialists, and demonstrations and which, in connection therewith, provides specialized, high-quality diagnostic and treatment services for inpatients and outpatients.

"(d) The term 'hospital' means a hospital as defined in section 625(c) or other health facility in which local capability for diagnosis and treatment is supported and augmented by the program established under this title.

"(e) The term 'nonprofit' as applied to any institution or agency means an institution or agency which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(f) The term 'construction' includes alteration, major repair (to the extent permitted by regulations), remodeling and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

"Grants for planning"

"SEC. 903. (a) The Surgeon General, upon the recommendation of the National Advisory Council on Regional Medical Programs established by section 905 (hereafter in this title referred to as the 'Council'), is authorized to make grants to public or nonprofit private universities, medical schools, research institutions, and other public or nonprofit private agencies and institutions to assist them in planning the development of regional medical programs.

"(b) Grants under this section may be made only upon application therefor approved by the Surgeon General. Any such application may be approved only if it contains or is supported by—

"(1) reasonable assurances that Federal funds paid pursuant to any such grant will be used only for the purposes for which paid and in accordance with the applicable provisions of this title and the regulations thereunder;

"(2) reasonable assurances that the applicant will provide for such fiscal control and fund accounting procedures as are required by the Surgeon General to assure proper disbursement of and accounting for such Federal funds;

"(3) reasonable assurances that the applicant will make such reports, in such form and containing such information as the Surgeon General may from time to time reasonably require, and will keep such records and afford such access thereto as the Surgeon General may find necessary to assure the correctness and verification of such reports; and

"(4) a satisfactory showing that the applicant has designated an advisory group, to advise the applicant (and the institutions and agencies participating in the resulting regional medical program) in formulating and carrying out the plan for the establishment and operation of such regional medical

program, which advisory group includes practicing physicians, medical center officials, hospital administrators, representatives from appropriate medical societies, voluntary health agencies, and representatives of other organizations, institutions, and agencies concerned with activities of the kind to be carried on under the program and members of the public familiar with the need for the services provided under the program.

"Grants for establishment and operation of regional medical programs"

"SEC. 904. (a) The Surgeon General, upon the recommendation of the Council, is authorized to make grants to public or nonprofit private universities, medical schools, research institutions, and other public or nonprofit private agencies and institutions to assist in establishment and operation of regional medical programs, including construction and equipment of facilities in connection therewith.

"(b) Grants under this section may be made only upon application therefor approved by the Surgeon General. Any such application may be approved only if it is recommended by the advisory group described in section 903(b)(4) and contains or is supported by reasonable assurances that—

"(1) Federal funds paid pursuant to any such grant (A) will be used only for the purposes for which paid and in accordance with the applicable provisions of this title and the regulations thereunder, and (B) will not supplant funds that are otherwise available for establishment or operation of the regional medical program with respect to which the grant is made;

"(2) the applicant will provide for such fiscal control and fund accounting procedures as are required by the Surgeon General to assure proper disbursement of and accounting for such Federal funds;

"(3) the applicant will make such reports, in such form and containing such information as the Surgeon General may from time to time reasonably require, and will keep such records and afford such access thereto as the Surgeon General may find necessary to assure the correctness and verification of such reports; and

"(4) any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"National Advisory Council on Regional Medical Programs"

"SEC. 905. (a) The Surgeon General, with the approval of the Secretary, may appoint, without regard to the civil service laws, a National Advisory Council on Regional Medical Programs. The Council shall consist of the Surgeon General, who shall be the chairman, and twelve members, not otherwise in the regular full-time employ of the United States, who are leaders in the fields of the fundamental sciences, the medical sciences, or public affairs. At least two of the appointed members shall be practicing physicians, one shall be outstanding in the study, diagnosis, or treatment of heart disease, one shall be outstanding in the study, diagnosis, or treatment of cancer, and one shall be outstanding in the study, diagnosis, or treatment of stroke.

"(b) Each appointed member of the Council shall hold office for a term of four years, except that any member appointed to

fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Surgeon General at the time of appointment, four at the end of the first year, four at the end of the second year, and four at the end of the third year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms.

"(c) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(d) The Council shall advise and assist the Surgeon General in the preparation of regulations for, and as to policy matters arising with respect to, the administration of this title. The Council shall consider all applications for grants under this title and shall make recommendations to the Surgeon General with respect to approval of applications for and the amounts of grants under this title.

"Regulations"

"SEC. 906. The Surgeon General, after consultation with the Council, shall prescribe general regulations covering the terms and conditions for approving applications for grants under this title and the coordination of programs assisted under this title with programs for training, research, and demonstrations relating to the same diseases assisted or authorized under other titles of this Act or other Acts of Congress.

"Information on special treatment and training centers"

"SEC. 907. The Surgeon General shall establish, and maintain on a current basis, a list or lists of facilities in the United States equipped and staffed to provide the most advanced methods and techniques in the diagnosis and treatment of heart disease, cancer, or stroke, together with such related information, including the availability of advanced specialty training in such facilities, as he deems useful, and shall make such list or lists and related information readily available to licensed practitioners and other persons requiring such information. To the end of making such list or lists and other information most useful, the Surgeon General shall from time to time consult with interested national professional organizations.

"Report"

"SEC. 908. On or before June 30, 1967, the Surgeon General, after consultation with the Council, shall submit to the Secretary for transmission to the President and then to the Congress, a report of the activities under this title together with (1) a statement of the relationship between Federal financing and financing from other sources of the activities undertaken pursuant to this title, (2) an appraisal of the activities assisted under this title in the light of their effectiveness in carrying out the purposes of this title, and (3) recommendations with respect to extension or modification of this title in the light thereof.

"Records and audit"

"SEC. 909. (a) Each recipient of a grant under this title shall keep such records as the Surgeon General may prescribe, including records which fully disclose the amount and disposition by such recipient of the

proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant under this title which are pertinent to any such grant."

Sec. 3. (a) Section 1 of the Public Health Service Act is amended to read as follows: "SECTION 1. Titles I to IX, inclusive, of this Act may be cited as the 'Public Health Service Act.'"

(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title IX (as in effect prior to the enactment of this Act) as title X, and by renumbering sections 901 through 914 (as in effect prior to the enactment of this Act), and references thereto, as sections 1001 through 1014, respectively.

And to amend the title so as to read: "An Act to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and related diseases."

Mr. HILL. Mr. President, heart disease, cancer, and stroke account for 71 percent of all the deaths in this country and for 51 percent of the deaths of our people under 65 years of age.

These three killers take an enormous toll in disability. They affected the lives of 30 million persons and their families and friends in 1963.

The economic costs of heart disease, cancer, and stroke exceed \$30 billion each year, including some \$4 to \$5 billion in direct costs of care and treatment.

To combat the ravages of heart disease, cancer, and stroke, the President in March of last year appointed a Commission of leading medical scientists and laymen and directed them to " * * * recommend steps to reduce the incidence of these diseases through new knowledge and more complete utilization of the medical knowledge we already have."

The chairman of the President's Commission was Dr. Michael E. De Bakey, the distinguished and brilliant surgeon of Houston, whose reputation is international in the field of health.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the names of the other outstanding men and women who served on the Commission.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Dr. Samuel Bellet, professor of clinical cardiology, Graduate School of Medicine, University of Pennsylvania, Philadelphia, Pa.

Mr. Barry Bingham, editor and publisher, Louisville Courier-Journal, Louisville, Ky.

Mr. John M. Carter, editor, McCall's magazine, New York, N.Y.

Dr. R. Lee Clark, director and surgeon in chief, the University of Texas M. D. Anderson Hospital and Tumor Institute, Houston, Tex.

Dr. Edward W. Dempsey, former dean, School of Medicine, Washington University, St. Louis, Mo.: Resigned on September 28, 1964, to become special assistant to the Secretary (Health and Medical Affairs), U.S. De-

partment of Health, Education, and Welfare, Washington, D.C.

Dr. Sidney Farber, director of research, Children's Cancer Research Foundation, and professor, Harvard Medical School, Boston, Mass.

Dr. Marion S. Fay, former president and dean, the Woman's Medical College of Pennsylvania, Philadelphia, Pa.

Mr. Marion B. Folsom, director, Eastman Kodak Co., Rochester, N.Y., and former Secretary of the U.S. Department of Health, Education, and Welfare, Washington, D.C.

Mr. Emerson Foote, former chairman of the board, McCann-Erickson, Inc., New York, N.Y.

Gen. Alfred M. Gruenther, immediate past president, American National Red Cross, Washington, D.C.

Dr. Philip Handler, professor and chairman, Department of Biochemistry, Duke University Medical Center, Durham, N.C.

Mr. Arthur O. Hanisch, president, Stuart Co., Pasadena, Calif.

Dr. Frank Horsfall, Jr., president and director, Sloan-Kettering Institute for Cancer Research, New York, N.Y.

Dr. J. Willis Hurst, professor and chairman, Department of Internal Medicine, Emory University School of Medicine, Atlanta, Ga.

Dr. Hugh H. Hussey, director, Division of Scientific Activities, American Medical Association, Chicago, Ill. Resigned as of September 5, 1964, to become special consultant to the Commission.

Mrs. Florence Mahoney, cochairman, National Committee Against Mental Illness, Washington, D.C.

Dr. Charles W. Mayo, emeritus staff surgeon, Mayo Clinic, Rochester, Minn.

Dr. John S. Meyer, professor and chairman, Department of Neurology, Wayne State University College of Medicine, Detroit, Mich.

Mr. James F. Oates, chairman of the board, Equitable Life Assurance Society, New York, N.Y.

Dr. E. M. Papper, professor and chairman, Department of Anesthesiology, College of Physicians and Surgeons, Columbia University, New York, N.Y.

Dr. Howard A. Rusk, professor and chairman, Department of Physical Medicine and Rehabilitation, New York University Medical Center, New York, N.Y.

Dr. Paul W. Sanger, surgeon, Charlotte, N.C.

Gen. David Sarnoff, chairman of the board, Radio Corp. of America, New York, N.Y.

Dr. Helen B. Taussig, emeritus professor of pediatrics, Johns Hopkins University, Baltimore, Md.

Mrs. Harry S. Truman, Independence, Mo.

Dr. Irving S. Wright, professor of clinical medicine, Cornell University, Medical College, New York, N.Y.

Dr. Jane C. Wright, adjunct associate professor of research surgery, New York University School of Medicine, New York, N.Y.

Mr. HILL. Mr. President, after receiving testimony from 166 expert witnesses and discussions with 60 health organizations, the Commission concluded that we could eliminate several hundred thousand unnecessary deaths each year if we bring to our citizens the full benefit of what we know today about prevention, detection, treatment, and cure in the case of heart disease, cancer, and stroke.

To carry out the recommendations of the President's Commission, the bill S. 596 was introduced earlier this year. After favorable action by the Committee on Labor and Public Welfare the measure was passed by the Senate on June 28 last and referred to the House of Representatives. Last Friday, the House approved S. 596 with some amendments.

None of the House amendments would interfere with achieving the objectives of the legislation as it was approved by the Senate.

As passed by the Senate, S. 596 authorized appropriations totaling \$650 million over a 4-year period. The House limited the program to 3 years and reduced the authorization for appropriations to \$240 million—only \$10 million below the Senate amounts for the first 3 years.

The provisions of S. 596 as approved by the Senate and House limit construction to alterations, renovation, and the acquisition of new equipment, and to the replacement of obsolete equipment, as well.

I have consulted with other Senators, with the Department of Health, Education, and Welfare, and with Dr. Michael E. De Bakey, and I find a unanimity of opinion that the amendments of the House would in no way handicap the proposed national effort to combat heart disease, cancer, and stroke.

I move, therefore, that the Senate concur in the House amendments to S. 596 so that the legislation can be forwarded to the President.

The motion was agreed to.

AWARD OF AMERICAN LEGION DISTINGUISHED SERVICE MEDAL TO THE HONORABLE JAMES F. BYRNES

Mr. THURMOND. Mr. President, I would like to call to the attention of my colleagues the presentation on August 24, 1965, of the American Legion Distinguished Service Medal to the Honorable James F. Byrnes, of South Carolina. Everyone familiar with the illustrious career of Mr. Byrnes will agree this award was well deserved and a fitting tribute to the "great and unusual service" rendered our country by this famous personality. The presentation by American Legion National Comdr. Donald E. Johnson, of West Branch, Iowa, of the Distinguished Service Medal to Mr. Byrnes was the fourth time in the last 15 years that the legion's highest badge of recognition had been awarded to a South Carolinian. Others from the Palmetto State receiving this award have included the late Gen. Charles P. Summerall—1951, Gen. Mark W. Clark—1957, and the late Bernard M. Baruch—1958.

I ask unanimous consent that the resolution of the American Legion which recognizes the long and distinguished service rendered by Mr. Byrnes to his country be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, only a few men in this century can look back upon such a record of service and achievements as that compiled by this sage of politics and government. His career in public service began in the year this century dawned when he took his post as a court reporter in the second judicial circuit of South Carolina. From that time he rose to the highest offices

the people of the State of South Carolina could bestow upon him and served as chief executive of the State from 1951 until 1955. Prior to this time he filled enough roles to climax a dozen careers, these services in the National Government finding their high points as Associate Justice of the Supreme Court and Secretary of State. Through all these years of turbulence and triumph in the 20th century his counsel has guided Presidents and even today his words are still filled with the wisdom which brought him to the pinnacle of service to his fellow man. This understanding of world events is clearly demonstrated in his remarks before the American Legion convention and I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD following the American Legion resolution recognizing his many contributions to our country.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

RESOLUTION, NOMINATION FOR DISTINGUISHED SERVICE MEDAL

Whereas the American Legion has created and from time to time has presented the American Legion Distinguished Service Medal in recognition of great and unusual service; and

Whereas it is completely in keeping with the purpose, the principle, and the tradition of this award that it should be presented to a distinguished American who—

Has served his country with dignity and with honor in all three of its governmental branches—legislative, executive, and judicial;

Demonstrated his skills as a legislative leader during 25 years in the Congress of the United States, a tenure encompassing service in both the House of Representatives and the Senate;

Was called from the Halls of Congress to serve as an Associate Justice of the U.S. Supreme Court;

Showed unselfish dedication to the demands of public service, forgoing physical comfort and financial security, in answering the call of his President to wartime civilian service as Director of the Office of Economic Stabilization and Director of War Mobilization and Reconversion, marshaling the resources of this, the mightiest industrial power in the history of the world, to fight and win the greatest war in which man has engaged;

As Secretary of State during the postwar years, recognized the threat of communism to an honorable peace and established the principle of America's permanent commitment to Europe's remaining free nations, the keystone of American foreign policy from that time until now;

Was chosen, after leaving the service of the Nation, by the people of his own State to be their Governor, in which office he worked with the same enthusiasm and diligence as he had through his many years of service in the national interest;

Was born of humble station and, in the classic American tradition, rose to the heights of power, prestige, and influence as he devoted a lifetime of service to his community, his State, and his Nation;

As a citizen, legislator, jurist, executive, American, has contributed to his country and his fellow man services worthy of the greatest commendation: Now, therefore, be it

Resolved by the National Executive Committee of the American Legion in regular meeting assembled in Indianapolis, Ind., on May 5-6, 1965, That it does hereby authorize and direct that the Distinguished Service

Medal of the American Legion be presented to the Honorable James F. Byrnes, of South Carolina.

(Submitted by Reed Beard, chairman trophies, awards, and ceremonies committee; Herbert J. Jacobi, chairman, internal affairs commission.)

EXHIBIT 2

REMARKS OF JAMES F. BYRNES

When President Roosevelt requested me to leave the U.S. Supreme Court to assist him in the war effort as Director of Economic Stabilization, I unhesitatingly resigned from the Court. Through the years I have not regretted that decision. I am really proud of it when I learn that service and my subsequent service as Director of War Mobilization, influenced you in some measure in honoring me today. An American citizen can receive no greater honor than this award of the American Legion. You have made me humble and very grateful.

At the end of World War I, as a Member of Congress, I advocated establishing the League of Nations to settle international controversies by right instead of might. The death of the League was a great disappointment to me.

At the end of World War II, I felt the people of the entire world were weary of war and so saddened by the number of dead and wounded, that we could look forward to at least a half century of peace.

I was one of those who advocated establishing the United Nations and in October 1945, as Secretary of State of the United States, I signed the ratification of the charter of that organization. In the 20 years that have passed there have been many changes in the United Nations.

The first chapter of the charter declares it is an organization of "peace-loving nations." Today many doubt that the Soviet Republic, a charter member, is a peace-loving nation. To justify that description, the leaders of a nation must not only profess favoring peace, but must refrain from doing those things which are calculated to provoke war. If a nation declares its intention to dominate the world, it will find it difficult to convince the people it is a peace-loving nation.

Where in 1945 there were only 52 members of the United Nations, today there are 114, and many do not have governments with the stability and responsibility of the original members.

Now the United Nations faces a great crisis. In South Vietnam the people are fighting to preserve their freedom against the invading Communist forces of North Vietnam. The Government of South Vietnam requested the aid of the United States and we are committed to its assistance.

Time and again the President has announced the willingness of our Government to confer with the representatives of North Vietnam. His offers have been rejected. Recently it was reported in the press that he wrote the Secretary General of the United Nations formally advising that organization of our willingness to try to bring about a settlement at the conference table instead of the battlefield. That is the primary objective of the United Nations, but to this date it apparently has been unable to do anything toward accomplishing its primary purpose.

The President announced the immediate increase of our military forces in South Vietnam to approximately 240,000 but he has also announced our intention to provide whatever additional forces are needed to convince the war lords of North Vietnam that they cannot enslave the free people of South Vietnam.

Almost daily threats are made by Red China and by the Soviets that if the United States does increase its military forces in South Vietnam, they will carry out com-

mitments made by them to aid North Vietnam with all their military power.

We cannot assume they are bluffing. When the consequences are so serious to mankind, we must assume they mean what they say.

In this situation, the United Nations must demonstrate whether it is able to contribute to world peace or whether it will go the way of the League of Nations.

For us it presents a serious problem. In two world wars, those nations which were to be our allies, held the common enemy at bay for several years while the United States prepared for war. That will not happen again. We will not have 2 years—nor even 2 months—to prepare.

In the face of Communist threats, we must immediately prepare to insure our survival and let the world know that the people of the United States will wholeheartedly support the President and the Congress in whatever is essential for that purpose.

The Kaiser in World War I and Hitler in World War II made the mistake of concluding that because our people differed about domestic affairs, that such differences would affect our unity in the prosecution of a war. They learned that we Americans, as a free and intelligent people, exercise our right to differ as to domestic policies, but when the chips are down, we present a united front against a foreign foe.

We should profit from our experience in World War II. Then for nearly a year we did nothing to stabilize the economy. Prices of war materials and wages in war industries skyrocketed. While servicemen sacrificed, other men made fortunes. Because of this, the task of equalizing prices, wages and rents was an impossible one. In time of relative peace, the Congress should review and revise legislation stabilizing the economy, to become effective upon the declaration by Congress of the existence of a state of war.

First things must come first. Our commonsense tells us that we cannot carry on two or three wars at the same time. If we must fight another world war against North Vietnam, the Soviets, Red China, Cuba, and the other Communist countries of the world, we must postpone the war against poverty, the Appalachian war, the expansion of recreation facilities, and many other welfare programs deemed desirable in time of peace.

We must see that law and order prevail on the streets of our cities, and concentrate on marshaling our manpower, our resources and our energies to insure our survival and our freedom.

We must remember that in World War II the war machines of Hitler and the Soviets moved without formal declaration of war; that Japan's sneak attack on Pearl Harbor was her only declaration of war upon us, and that Red China did not write a letter to us about her intentions in Korea.

Instead of arguing about how we became involved in Vietnam, let us realize we are irrevocably involved and adopt the sentiment of Adm. Stephen Decatur, "My country, may she always be right in her foreign relations, but my country, right or wrong."

VOCATIONAL EDUCATION LOAN PROGRAM

Mr. BARTLETT. Mr. President, yesterday we had another opportunity to make improvements in the educational programs sponsored by the Federal Government.

Not very long ago, 8 years to be exact, the United States was awakened from its educational apathy by the launching of the Soviet sputnik. We shortly enacted a program of loans for students attending our colleges and universities, the National Defense Education Act, be-

cause of the realization that we were losing ground steadily in producing qualified scientists, engineers, and mathematicians.

Since that fateful day in October of 1957, the Congress has made substantial improvements in many areas of education. Since 1961 we have paid especial attention to vocational education and training.

Yesterday we made another sound and substantial contribution to vocational education by enacting H.R. 7743, a bill to give loans and loan insurance to students attending business, trade, technical, and other vocational schools.

More and more we are coming to realize that in all phases of our commercial and industrial economy we need highly trained, highly skilled workers. We have made some progress, but not enough. H.R. 7743 will aid many boys and girls now finishing high school to acquire the kind of training modern industry so badly needs.

Passage of H.R. 7743 marks a continuation of the policy we established with the enactment of the National Defense Education Act of helping students to help themselves.

TRIBUTE TO SECRETARY OF THE AIR FORCE EUGENE ZUCKERT

Mr. RUSSELL of Georgia. Mr. President, in the many years I have been privileged to serve in this body, I have had contacts with literally hundreds of administrators in the executive branch. I have never known a more efficient or dedicated public servant than Eugene Zuckert. He is truly a civil servant in the very best tradition.

With profound sorrow I heard of his plans to leave. However, on reflection, he has served in so many various capacities and has given so completely and selflessly of himself for so many years, I know that he is entitled to a rest. However, Mr. President, I wish to say that if the President of the United States, now or in the future, has any real tough job that requires wisdom, courage, calmness, character, and the will to work, he could not find a better man in the United States than Gene Zuckert.

I am proud to claim him as a friend. Over many years, I have had the privilege of associating with him and working together with him building the Nation's defenses. I shall miss him in the days that lie ahead.

I hope, however, that after a rest he will see fit to give further of himself to the Government and the Nation that he has served so well. He has my affectionate regards and best wishes for the future.

Mr. MUSKIE. Mr. President, the position of a service secretary is an exacting one. In an age when the demands on our Defense Establishment are compounded by rapid changes in world circumstances and technological advances we need men of uncommon leadership, intelligence, and steady nerve to make and implement defense policies. Eugene Zuckert is one of those uncommon leaders.

A resourceful and successful practitioner of the art of public service—and in his hands it has been an art—Gene Zuckert has advanced the interests of our Nation in the Securities and Exchange Commission, the Air Force, and the Atomic Energy Commission.

Over the years I have admired his willingness to give of his time and his talents to the service of his country. As a Member of the Senate I have had an opportunity to watch him under fire, to appreciate his willingness to dig into the most complicated problem and to see him demonstrate his personal and professional integrity.

I am sorry to see Secretary Zuckert retire from his present post. I am sure, however, that his talents will not go untapped in public life and I look forward to the opportunity to work with him again. I am glad to join Senator SYMINGTON and my other colleagues in saluting Gene Zuckert and his contribution to us all.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes.

Mr. LONG of Louisiana. Mr. President, I shall comment briefly on some of the arguments which have been made today concerning the Canadian Auto Parts Agreement.

The suggestion has been made that the agreements between the Canadian Government and the Canadian manufacturers involved something sinister or perhaps corrupt. Actually these agreements are between the Canadian Government and Canadian companies engaged in manufacturing in Canada. The Canadian Government had as much right to negotiate with Canadian companies and make agreements with Canadian companies as the United States would have to negotiate with and make agreements with U.S. companies.

We knew that these negotiations were going on. We understood the formula that the Canadian Government wished to apply, the so-called XYZ formula. The letters reflecting these agreements are incorporated in the committee report on this bill. Canada believes that the agreements would bring about an increase in Canadian production.

There is room for difference of opinion as to whether this Government received as much as it could have received from the agreement. However, if we look at what has been happening in the automobile industry, we notice that in nation after nation the United States has been losing major markets for automobiles because of restrictive measures taken by those countries.

Some reference was made to the General Agreement on Tariffs and Trade. The countries taking restrictive measures against our country have been parties to GATT. They did these things knowing, in many instances, that the

measures were contrary to the agreement, but there was very little we could do about it.

The local content requirement in Argentina was raised from 45 percent in 1962 up to 90 percent in 1964. That caused the export of U.S. automobiles to Argentina to drop from 75 million to 18 million. We lost 75 percent of our market in Argentina by that decision of the Government of Argentina.

In South Africa the local content requirement has been increased progressively over the past 4 years, and the export of U.S. cars to South Africa has dropped from 11,000 automobiles in 1958 to 5,000 automobiles in 1964.

At page 214 of the transcript of the hearings there appears a showing of what happened in Brazil. Brazil progressively increased its local content requirement from 50 percent in 1957 up to 100 percent on automobiles and 98 percent on trucks. To this point that action has caused our sale of automobiles to Brazil to drop from \$82 to \$14 million, and, on trucks, our sales have dropped from \$48 to \$2 million.

This is the experience that we have been having.

The Australian Government is a good friend of the United States. The Australian Government is one of our best friends. That Government, in its own self-interest, has put into effect a schedule which progressively increases the Australian content requirement, so that we may be squeezed out of that market almost completely over a period of time. As I recall, their content requirement increases to 95 percent.

Let us see what our friends in France have been doing. Something was said about what De Gaulle would say if the United States made an agreement with Canada on a bilateral basis. In 1963 the U.S. cars and trucks in France accounted for less than 2,000 of the 1,200,000 new motor vehicles registered in that country. Why was that?

A Frenchman can buy and operate a French-built Renault for \$314 a year, whereas it would cost him \$1,330 for a standard Ford, Plymouth, or Chevrolet.

This is accounted for by import tariffs and other tariffs amounting to 33 percent; a 25-percent turnover tax based on a wholesale price, including duty; registration fees and annual road taxes based on horsepower. Therefore, the taxes are very low for typical French cars, but very high for the kind of cars which we manufacture. For the most part, the taxes on U.S. cars, generally speaking, are 10 times as high as they are on the cars of French manufacture. The French tariff and tax structure strongly discourages the importation of American cars.

Some of the devices used by France no doubt violate the general agreement on tariffs and trade. I would assume that we have a right to complain about some of them. However, that is what countries have been doing to us.

It has been said that, leaving Canada out of it, the United States has an unfavorable balance of trade against the rest of the world in automobiles. The reason is not that we cannot produce

automobiles cheaper or better. The reason is that certain countries have used very restrictive devices and kept us from having access to their markets.

The genesis of this agreement is that when the United States saw Canada moving to take the kind of restrictive actions which could deny us a part of the Canadian market, our people proceeded to negotiate in an effort to try to work out this difference between the United States and Canada to preserve our access to the Canadian market.

Reference has been made to the fact that Canada had a favorable balance of trade against the United States as it concerned paper, pulp products, and whisky. We have just taken action to restrict the importation of Canadian whisky. The Senator will recall that not long ago we voted to limit to 1 quart the amount of whisky that a tourist could bring in duty free. He used to be able to bring 1 gallon of whisky duty free from Canada.

A suggestion was made that someone might complain in the General Agreement on Tariffs and Trade in Geneva. They have complained before, and we have taken action, notwithstanding their complaint. And those countries have themselves taken actions which violate GATT.

Only a few weeks ago the Senator from Connecticut pointed out to us the unfortunate situation which existed with regard to rubber footwear. We supported the position of the Senator from Connecticut and passed a provision which the State Department told us was a clear violation of the General Agreement on Tariffs and Trade. We had to pay compensation for that because our people were convinced that we had violated the agreement.

We must make concession to the Japanese on other products in order to offset the injury which we had done to their rubber shoe industry. These concessions might hurt other U.S. industries.

We do not anticipate that we are going to have to give any compensation in this instance so far as the auto agreement is concerned. It is the judgment of the people involved in the General Agreement on Tariffs and Trade that no injury can be shown to exist in this instance.

Generally speaking, other countries do not send in parts for American cars. We do not anticipate that there will be a slowing of trade.

Something was said to the effect that the automobile companies made a \$50 million savings as a result of this agreement. That is not quite the truth. They did make a saving of \$50 million. However, that occurred under the so-called tariff rebate plan. That plan was in effect in Canada prior to this agreement. They were getting a tariff rebate as the result of a plan that was already in effect. About all that the agreement did in that respect was that it simply did not take it away from them.

(At this point Mr. MUSKIE took the chair as Presiding Officer.)

Mr. LONG of Louisiana. Mr. President, it has been suggested that there will be Japanese and European—

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Did not Canada herself begin implementing the agreement as soon as it was signed?

Mr. LONG of Louisiana. Yes.

Mr. GORE. And has not the 17½-percent tariff been reduced for the American automobile companies, for every car they ship to Canada?

Mr. LONG of Louisiana. The tariff is not being collected on those automobiles. But this \$50 million saving—

Mr. GORE. Will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. GORE. For each car shipped into Canada, they have pocketed the tariff; is that correct? Then what does the Senator disagree with in my statement?

Mr. LONG of Louisiana. If the Senator looks he will find the \$50 million saving actually originated under the rebate arrangement which already existed.

Mr. GORE. They gain the same thing under this agreement, except more.

Mr. LONG of Louisiana. But the \$50 million the Senator was talking about, the \$50 million saving in tariffs paid to the Canadian Government on imports, started with the rebate scheme, and did not start with this agreement. The agreement merely continued a saving already achieved by the other arrangement.

Mr. GORE. I agree with the Senator. This agreement continues the tariff remission scheme, which was an instrument of export subsidy. Why the United States wishes to continue that by agreement I do not know. I agree with the Senator's statement. He verifies what I said.

Mr. LONG of Louisiana. Let us go a step further, and analyze the problem insofar as the price of automobiles in Canada is concerned.

If Canada wishes to bring down the price of automobiles in Canada, all they would have to do—and this is what their own Minister testified—is agree to a complete elimination of all tariffs between the two countries. The American price is about 12 percent, in some cases perhaps 15 percent, lower than the Canadian price. We are the low-cost producer. We can afford to build automobiles more cheaply, and we do. So if they simply eliminated the tariffs, the United States would have all the Canadian market, and we would gobble up and crush out the Canadian automobile industry.

The Government of Canada cherishes its industries too much to permit that to happen. So, while they agree that we can send automobiles duty free into Canada, the last thing they would want us to do would be to cut Canadian prices down to the level of ours because then the Canadian manufacturers, until such time as they were able to change their way of doing business, could not compete. So it is hoped that the money saved here will be invested in new plants and equipment, and thus both countries will have additional plants.

As Canadian sales increase, more automobiles will be produced in Canada,

but that will not affect the net balance of trade. All the predictions, as explained both by their Ministers to the Canadians and by our Cabinet members to us, are to the effect that the favorable balance of trade will be maintained. We have now a trade balance on automobiles and parts of about \$580 million. We ship them that much more than they ship us. The effect of the agreement will be to continue that arrangement, to maintain that favorable balance.

Automobile manufacturing is a high wage industry. There is no doubt that over a period of time, Canada wishes to produce more automobiles, and will. But Canada's purpose in planning to produce those automobiles is to meet the 8 percent a year increase in the Canadian market, and we will still have the net \$580 million trade advantage. What is that worth to Detroit and to Michigan? To the automobile producing areas, it is worth 25,000 jobs. That is what we are talking about.

We have with Canada a total favorable trade balance of \$1.183 billion. Of that \$1.183 billion, half is accounted for by our advantage on automobiles and trucks alone.

Suppose we had not moved toward this agreement to protect our favorable balance, and Canada had proceeded to do what the European countries were doing, and what other countries have done, what Argentina, Brazil, South Africa, and some other great powers are doing. Suppose they had followed the trend of the major South American countries, the European countries, and the other English-speaking countries, to produce more and more automobiles and make it more difficult for us to retain a share of their market. What would we have had to do? We would have had to cut down Canadian imports. That might have helped Louisiana because Canada ships us oil. It might have helped Kansas because we would have cut down on oil importation.

Mr. CARLSON. Will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CARLSON. We in the Middle West have been complaining rather bitterly because oil is shipped in from the central part of Canada without any tariffs or limitations, while Canada imports the oil used in the industrial regions of eastern Canada from Venezuela. So we do complain, and rightly so.

Mr. LONG of Louisiana. The Senator is correct; and it is possible that Kansas and Louisiana might benefit from a first-class trade war between the United States and Canada. Of course, I should hope the situation would not become such that we start dropping atom bombs or anything of that sort, but a first-class trade war between our two countries could perhaps benefit the State of Louisiana and the State of Kansas.

What other Canadian imports could we cut back? We could cut down on paper, on pulp, and on the lumber that she ships to us. Those are all low-wage industries.

Every time we cut them out of jobs while they cut us out of jobs, we lose high-paid jobs and they lose low-paid jobs. And what would be the first industry to be hurt? The automobile in-

dustry. That the automobile industry understands; and that is why it wants this arrangement. It does not wish to get into a cutthroat trade war with Canada because the more we reduce our imports generally, the more our automobile industry will suffer. Everyone interested in the automobile industry in the United States—I do not care whether it is General Motors or Walter Reuther or the Secretary of Labor—is concerned about the well-paying jobs and all the rich benefits that go with them, and trying to hold them for the United States.

Should we lose the Canadian market, it would not hurt Louisiana particularly, because we would probably be the beneficiary of some of the strokes this country would take to slash back at Canada. But after this country and Canada had finished taking strokes and counter-strokes at each other, where would we be?

By the time we stopped buying everything from Canada—and that is completely within our power—and Canada stopped buying everything from us, our trade balance would be reduced by \$1.183 billion per year. What kind of sense would that make? Our trade with our Canadian friends is a valuable asset. Our relations have been good. We have been reasonable with them, and they have worked with us, to our mutual advantage.

The United States and Canada have a joint boundary commission which has done its job so well it is never even mentioned in the newspapers. Because the two countries have operated it so efficiently together, people forget it exists. We have an arrangement with Canada on the use of the waterpower of waters which cross the boundary. It operates so well that we hardly ever hear of it.

We have an arrangement with Canada on the St. Lawrence Seaway. I doubt that I would even know about its existence if I had not been here when we authorized the construction of the seaway.

That is how well these things work out between our two great powers.

Reference has been made to some of these things being discriminatory; and that does not make any sense. It is said that there are provisions in the agreement to restrict and control the shipment of American automobiles and automobile parts into Canada, and that the same provisions do not apply in the other direction.

Why? It is because we are a low-cost producer. We do not need that protection. All we need is access to the market, because we can produce these goods cheaper than the Canadians can.

The point has been made that the workers might suffer, because Canadians have a lower wage rate and therefore might get our jobs.

Mr. President, those people in Canada are represented by the same labor unions that represent our workers.

As long as Canadian companies cannot meet the competition that comes from us, even by having their workers earn less, they will not be able to raise the wages of their workers until they are

able to bring about more efficient operation than they have now.

The agreement will help them to achieve it. When they achieve it, the same Walter Reuther will sit down with the same Ford Motor Co. and the same General Motors Co. and pound the table just as hard, demanding that the Canadians receive the same kind of wages that American workers are paid.

So, what shall we do? We will equalize the cost. We will equalize wages. Both countries will benefit from a great and growing market where each country produces more and makes more jobs. The agreement has been in effect for 6 months. We have made 40,000 more jobs available in the past 6 months than in the same 6 months last year.

The record shows that we are getting more jobs, that Canada is getting more jobs. The agreement is intended to benefit both countries.

It has been pointed out over and over again that the purpose is to increase production in Canada. The purpose is not only to increase production in Canada but also in the United States, to the mutual benefit of both countries.

As I have pointed out, we have listened to the many fears expressed over the number of persons who would lose their jobs.

What do the facts show under the agreement so far? It has been in effect for 6 months. It is to be reviewed in 1968; so it has been in effect for one-sixth of that period.

The facts show that up to now we have increased exports to Canada by \$36 million. Canada has increased its exports to us by \$32 million. On balance, we are ahead by \$4 million.

The projections are that with the agreements which have been made to protect Canada, insofar as Canada seems to need this protection from the lower cost and more efficient American industry, we will undertake to maintain the favorable balance which the United States has, and allow Canada to increase its production to meet the increased market which Canada now enjoys.

Mr. President, in my judgment, this is a good deal for both countries. It will tend to advance the prosperity of both countries.

Let me refer to the fear expressed concerning foreign automobiles coming in, such as the Renault and the Volvo. It has been suggested that these manufacturers could move their plants to Canada and produce French, Italian, perhaps even Japanese automobiles, in Canada more cheaply.

That is where the opponents of the agreement meet themselves coming back. They have been talking about lower wage costs. The fact is that wage costs in the European countries and Japan are far below wage costs in Canada.

In France and other European countries they have an advantage in the mass production of small automobiles. They have an efficiency and an economy which cannot be duplicated in producing a small automobile in this country, plus a much lower wage scale. Therefore, they can produce their automobiles more

cheaply in their own countries than they could in Canada.

It is said that if they should move their plants to Canada they would have the benefit of a low tariff, because there would be no tariff to shift those automobiles from Canada into the United States.

The tariff on automobiles is only 6½ percent as it stands now, and under the Kennedy-round negotiations, which proposes to cut the tariff approximately in half, roughly to 3 percent. The facts will show that so far as Japanese and European automobile manufacturers are concerned, the tariff would be so small that it would serve no purpose to move plants into Canada to avoid U.S. tariffs. It would cost more to manufacture them there. The additional Canadian costs would not offset the difference in the tariff.

These fears have been dreamed up. I am sure that they have been conceived in good faith and in good conscience. The truth is, however, that American businessmen are looking after American business. American labor leaders are looking after American labor. Responsible officials of the U.S. Government have been negotiating in good faith and in good conscience to save for the United States as much of the favorable balance of trade in automobiles with Canada as it has the power to save. The same is true from the President of the United States on down.

Mr. President, when I was a student at the State university, I recall that some one persuaded me to buy an interest in a college humor magazine. From time to time we would print something a little risqué, or perhaps it was something which did not appeal to the dean of men, or the dean of women, and every now and then we would get into trouble because of it.

So we would publish what we called our "purity issue." In that issue, we would ridicule those who sought to find something evil in everything they saw in an issue of the magazine. We printed a picture of a large black heart with white letters printed on its side which said:

To the pure in heart to whom all things are evil, this issue is dedicated.

I suppose opponents of the pending bill can start with assumptions that the whole idea of the agreement is a treacherous scheme to betray the American public and, having done that, arrive at the conclusion that the President has sold out the people, or else he is too dumb to know any better; that the Secretary of State has sold out the public, too, or is too stupid to know what he is doing; that the Secretary of the Treasury is unworthy of his oath of office; that the Secretary of Labor is unworthy of the position that he holds; and that same thing is true of American businessmen who hold some degree of loyalty to their country; that the same thing is also true of the American representatives of organized labor who try to do the best they can to speak for those they represent; and that the same thing is true of two-thirds of the majority of the House of Representatives, and an overwhelming majority in

the House Ways and Means Committee, and an overwhelming majority on the Senate Committee on Finance, all of whom gave approval to the pending bill.

Once our opponents start with these assumptions, they can find all sorts of reasons on which to hang their suspicions.

However, the truth is that those assumptions do not add up.

The proposed legislation is of no great moment to the State of Louisiana so far as the products it trades in are concerned. But, it is an agreement which was negotiated in the best interests of two nations, as those two nations could negotiate for it.

Canada was negotiating for what she thought was a good thing for Canada, and the United States was negotiating for what it thought was the most favorable arrangement it could arrive at for the benefit of the United States.

It was suggested that there was something wrong about the agreement because a Canadian citizen could not come into the United States and purchase an automobile duty free under the agreement, and take it back to Canada with him.

As I indicated earlier, if that were so, we would have set the pattern for the destruction of the Canadian automobile industry before it ever achieved the economies of mass production, that would enable it to compete with the stronger and more efficient American industry. But we would not have wished it that way.

It has been suggested that the agreement is a vicious thing, that there is something evil about it, because, on the other hand, someone can go into Canada and purchase an automobile duty free and bring it back into the United States. It was suggested, in effect, that we negotiated for the right for our citizens to go into Canada, purchase an automobile at a higher price, and bring it back into the United States.

As a practical matter, there is no reason why this country should have been seeking to bar American citizens from purchasing Canadian automobiles and bringing them back into the United States, because our sales price is 12 percent below the sales price of Canada. Therefore, why should anyone in his right mind want to go into Canada and purchase an automobile, and pay \$400 more for it, when he could stop off in Detroit or Flint and save \$400, plus transportation?

Naturally, that was not what our people were interested in bargaining for. There is nothing evil about that whatever.

It has also been suggested that there is something sinister about the subject of replacement parts. Let us think about that for a moment. This agreement does not apply to replacement parts.

Canada did not want the Canadian market opened up to replacement parts because of the fact that we are a low-cost producer as compared with Canada, and we would take over a great deal of their market for replacement parts. We cannot blame Canada for trying to pro-

tect some of its domestic industries, just as we protect some of our domestic industries in this country. We did it a while back, in protecting our particle-board manufacturers from the Canadian manufacturers who were improving their efficiency in this product.

If someone is trying to look after the small manufacturer of replacement parts, one would think that the last thing he would be asking for is that replacement parts come in duty free, which might be to the disadvantage of the replacement part manufacture in his country.

The agreement actually benefits the manufacturer of replacement parts in this country because the rebate scheme which had been so damaging to our manufacturers no longer is in effect. So he is also benefiting from this agreement.

Therefore, when one understands what is in the bill, what the intent and spirit of it are—and both countries will be watching; they will have a right to drop out after 1 year if either country thinks this agreement is against its national interest—we shall be working together for the benefit of both countries and for the lower cost of automobiles.

It has been said that this is not free trade. Complete free trade is never obtained in one step. We have to move toward it. But it is freer trade. It removes many restrictions between the United States and Canada of a controversial nature. It goes as far in the direction of free trade as we think we can go at this time.

The agreement seeks to provide some advantages of freer trade. What are the advantages? The advantages of freer trade are lower cost of production, more competition, and lower prices for the consumer.

In so far as this classic example is concerned, we look at the contents and concept of this proposal as an advance in that direction. This agreement will be a great stride in that direction.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. Is it not a fact that, in the first instance, the President has signed this agreement and has recommended it to the Congress? Did it not start in that way?

Mr. LONG of Louisiana. Yes.

Mr. SMATHERS. Is it not a fact that the Ways and Means Committee of the House held hearings on it and reported the bill, so far as I can ascertain, by a unanimous vote?

Mr. LONG of Louisiana. Yes.

Mr. SMATHERS. Is it not a fact that the House of Representatives thereafter passed the bill?

Mr. LONG of Louisiana. Yes.

Mr. SMATHERS. Is it not a fact that it came to the Senate with only three negative votes in the Senate Finance Committee?

Mr. LONG of Louisiana. We did not have a rollcall vote on it, but my information—

Mr. SMATHERS. The Senator from Tennessee [Mr. GORE], the Senator from Connecticut [Mr. RIBICOFF], and the

Senator from Indiana [Mr. HARTKE] were against it.

Mr. LONG of Louisiana. Yes—the Senators who signed the minority views.

Mr. SMATHERS. So if the Senate has an opportunity to vote on it, is it not the Senator's opinion that the Senate will pass it by an overwhelming vote also?

Mr. LONG of Louisiana. Yes.

Mr. SMATHERS. Does the Senator therefore think that, under those conditions, the Senate would be voting for a nefarious or notorious agreement?

Mr. LONG of Louisiana. Some of the debate would suggest that not only have American businessmen, American labor, and American public officials betrayed the American people, but that the Canadian Government officials had betrayed the Canadian people. Considering the fact that the officials on both sides of the border depend on the people for their election, it seems difficult to believe.

Mr. SMATHERS. Is it not a fact that the Secretary of Labor, who, I am sure, is more interested in the protection of labor than almost anybody else in the United States; the Secretary of Commerce, who is more interested than anyone else in looking after the interests of business people, both large and small; and the Secretary of State all examined the agreement and suggested its adoption?

Mr. LONG of Louisiana. That is correct. Those men have a responsibility to look into those matters.

Further, it has been suggested that this agreement has not been brought to Congress in the traditional way.

The fact is that in 1954, the executive branch negotiated with the Government of the Philippines a revision of our 1946 Trade Agreement with the Philippines. After the revision was negotiated and initiated, implementing authority was sought and received from the Congress. This is what we are seeking here.

In 1961, the executive branch negotiated the short-term cotton textile arrangement and subsequently sought legislative authority to enforce that agreement against nonparticipants.

There were no trade agreements between 1911 and 1934 negotiated by the United States in any form. But in 1934, the Congress gave the President blanket authority to negotiate agreements with stated limitations. Agreements negotiated under that authority, as well as the Trade Expansion Act, are not required to be sent to Congress for its approval.

So the President has not sought to bypass the Congress. He has recognized the prerogatives of Congress in the trade agreement field. The executive branch has recognized that a trade agreement of this sort should have the approval of Congress. It is before the Congress to act on. The pending legislation is before us.

So we do have precedents for this procedure.

I would say, as between the two approaches, that the President is violating precedents more when he negotiates an agreement and then brings it to Congress and asks for a veto than when he

asks Congress for authority to negotiate an agreement and then approve the agreement.

Mr. SMATHERS. Is it not the nature and the whole idea of this particular agreement that, while we recognize that some people in the parts industry may be affected, while we recognize that some categories of automotive parts, plants, and labor, may be adversely affected, nevertheless it is in the interest of the United States as a whole, our laboring people, and our producing people, that we enter into this agreement because in the long term, on balance, the benefits will redound to the people of the United States and of Canada?

Mr. HARTKE. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. Let me answer the question first. Then I shall yield.

Not only is that the case with respect to the officials in our Nation who have direct responsibility to represent and protect the various groups, labor, management, and industry, those who have the direct responsibility to do the negotiating and speak for these groups, but they all tell us that this is the best way the matter can be worked out and that the results will justify it.

The Senator is quite correct when he states that there will be instances in which American parts manufacturers will shift operations into Canada and where Canadian parts manufacturers will shift operations into the United States—

Mr. McNAMARA. That is unlikely.

Mr. LONG of Louisiana. I cited the instance of 17 cases of Canadian companies that will be adversely affected. There will be a shift in both directions.

But the net effect is going to be that there will be more jobs and more production in both countries. We will retain the same amount of favorable trade balance on this item that we have had in years gone by.

Mr. SMATHERS. May I ask one other question of the Senator from Louisiana?

Mr. HARTKE. Mr. President, will the Senator yield to me?

Mr. SMATHERS. May I finish my question?

Does the Senator from Louisiana agree that it is an erroneous assumption to conclude that we in the United States actually control or have peremptory rights to the automobile market in Canada? Does not Canada have the right to build as big a tariff wall as it wishes, and produce automobiles and sell them to their people? If that happened, it would have an adverse effect on the automobile industry in the United States.

Mr. LONG of Louisiana. The Senator is correct about that.

It seems to me to be fundamental to the argument made on the floor of the Senate against this agreement, that there has been the assumption that we control the Canadian market. That is a dubious assumption.

The argument against this agreement has repeatedly suggested that since we have about 40 percent of the Canadian market, then as the Canadian market

grows and expands we are entitled to 40 percent of that growth.

That is fine, if we can get it. We should attempt to get as much of the Canadian market as we can and share in the increase in the Canadian market. But we cannot blame the Canadians for thinking that this is one of their worst deficit items.

Mr. HARTKE. Mr. President, will the Senator yield for a question?

Mr. SMATHERS. Is it not a fact that the Canadian market is growing considerably faster than our market, and that if we are precluded from trading into the Canadian market in the long range the automobile industry in the United States will be the loser?

Mr. LONG of Louisiana. Yes; that could happen.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Indiana.

Mr. HARTKE. It is estimated that the total North American production will be in the neighborhood of 10 million automobiles. Is that correct?

Mr. LONG of Louisiana. I will accept that estimate.

Mr. HARTKE. It is estimated according to this agreement, and depending on whether my opinion is accepted or the opinion of the Senator from Louisiana, but between us $2\frac{1}{2}$ to 2 percent of that market is going to be lost to the U.S. side of the production. Is that true?

Mr. LONG of Louisiana. The market is going to be bigger and our share of that market will be bigger, if the Senator is speaking in terms of numbers and of money. If the Senator is talking about percentage, that percentage will be a smaller percent, but a smaller percent of a larger amount.

In every other respect except percentage, the United States will wind up with more.

Mr. HARTKE. I will make a statement, and I will want to know if the Senator from Louisiana agrees.

The estimated market is going to be about 10 million automobiles. The share of the United States proportionately will be about 2 percent less, which means about 200,000 automobiles, which under normal circumstances would be produced in the United States.

That figure is about one-third of the total production of American Motors today, equivalent to 200,000 automobiles, which would have been manufactured in the United States, and are not going to be manufactured here. Instead they are going to be manufactured in Canada. Our loss is the plants which would have manufactured those automobiles here; and those automobile plants are not going to be doing that job.

The workers who would have been working in those plants, making parts, and assembling those automobiles, are not going to be manufacturing those 200,000 automobiles.

What the Senator is saying in this agreement is that in order to get a writ of stroke, which is what the President said, we have been hit in the nose and

we are going to do this to keep from getting hit in the nose again.

Mr. LONG of Louisiana. I cannot agree with the Senator.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I will not yield further at this moment. I want to answer the question.

I point out to the Senator that a trend was setting in, under which the Canadians were acting just as all of these other countries have acted, to deny us part of the market that we would like to have had.

We lost a great many exports, because of the actions of those countries. Canada was moving in the same direction, and we wanted to keep as much of the Canadian market under our control as we could.

Mr. HARTKE. The Senator would not want the United States to take the position that we establish international policy. Every country is going ahead to protect itself, and wherever these unfavorable balances of trade exist they should immediately make arrangements with that country where that unfavorable balance of trade is eliminated, so there can be production and help in subsidizing production.

The Senator does not follow that thinking? It is the exact opposite of the point the Senator was making.

Mr. LONG of Louisiana. I want to work it out the best we can.

Mr. HARTKE. I know. Why does not the Senator come in with an amendment that eliminates all barriers between the United States and Canada? Then, whoever can compete with us, can. If we pay more to our labor, that is fine. If our money costs us more, that is fine. Let everybody be fair and say that we will do just as we do between Louisiana and Indiana. If it can be made for less in Louisiana, send it to Indiana; and if Indiana can make it for less send it to Louisiana.

Why does not the Senator say, "Let us have a free trade agreement"? If he will do that, I assure the Senator I will be the first to join him. Not only will I do that, but I will say, "Let us do it with every country with which we can enter into such an agreement." I am in favor of a free trade agreement. I should like to put at rest for all time the idea that what we are considering has any semblance of free trade. It is one of the strongest protectionist measures that have ever come before the Committee on Finance. It is one of the most protectionist agreements that has come to us since the Smoot-Hawley tariff.

Mr. LONG of Louisiana. Would that I had the power to require Canada to comply with the commerce clause of the U.S. Constitution, or to comply with laws passed by Congress. It might be a wonderful thing if we could do that. I suspect, however, that we would run into some untoward results. I suspect such action would be resented.

Mr. HARTKE. If they believe in free trade and we believe in free trade, let us say to Canada, "We are not asking you

to give us anything that we will not give you. We will give you free access to our markets, if you will give us free access to your markets."

In other words, Mr. President, let us eliminate all trade barriers between our two countries.

Does the Senator wish to sponsor such a measure? I would not wish to keep him from being a cosponsor of such a forward-looking measure.

Mr. LONG of Louisiana. I have heard the Senator's argument. I should like to yield the floor, so that the Senator from Michigan [Mr. McNAMARA] may make an address which he plans to make this evening.

Mr. HARTKE. Is the Senator from Louisiana interested in such a proposal? If he is interested in the kind of proposal I am making, we can end the debate tonight.

Mr. LONG of Louisiana. If the Senator will draft such a proposal, I shall be glad to have it considered.

Mr. HARTKE. If all trade barriers between the United States and Canada are eliminated, we shall have a common market.

Mr. LONG of Louisiana. If the Senator from Indiana will send such a proposal to the desk, I shall be glad to have it sent to the Committee on Finance, where we can both take a look at it.

Mr. HARTKE. If the Senator would like to enter into such an agreement, and sponsor such a proposal, I shall be glad to draft it. In that way we would be able to send the pending bill back to the committee, and substitute my proposal, with the Senator's assistance, for the bill that is before the Senate now.

Mr. SMATHERS. Does the Senator from Indiana sincerely believe that he could get Canada to enter into that type of agreement?

Mr. HARTKE. Canada certainly will not be in the position of complaining about a trade war if we are willing to eliminate all trade barriers between the two countries.

Mr. SMATHERS. The reason we have negotiated this agreement is that the Canadians were acting to make it more difficult—

Mr. HARTKE. I understand the reasons.

Mr. SMATHERS. This is an effort to move in the other direction.

Mr. HARTKE. I understand.

Mr. SMATHERS. The Canadians have not the capacity to produce which U.S. manufacturers have, and the low expense at which Americans can produce. Canada is not able to compete with U.S. manufacturers, who have had much more experience in manufacturing than have the Canadians.

I am sure that the Senator from Indiana realizes that if we sought tomorrow to make such an agreement as he proposes, which would be to our advantage, Canada would not agree to it.

Mr. HARTKE. Canada would not agree to it for the simple reason that their costs are higher and they are not competitors in this field. Their costs are

15 percent higher, and their wage rates are 25 percent lower. They are trying to protect their high-cost industry at the expense of American workers and American business.

Mr. SMATHERS. That is what they were attempting to do when they established a 17.5 percent tariff. We are asking Canada to reduce that tariff to zero, so that we can trade with Canada. The whole purpose of the bill is to keep Canada from retreating behind a protectionist barrier.

Mr. HARTKE. Canada does not have to retreat. I respectfully suggest that in the long run the adjustment assistance section will cost as much as any other program, including medicare. It is the most expensive measure that Congress has faced.

If the administration had a real understanding of what it proposes to do, it would have the State Department, which foisted this agreement on Congress, submit an estimate of the cost of the adjustment assistance section to the American taxpayer. Such a report would state the number of dollars, jobs, and industries we shall have to subsidize as a result of this section.

Admittedly, it will be there for some purpose. I heard the Secretary of Labor testify that 50,000 American jobs would be saved by the agreement. I want to know how many American jobs will be lost and how many people will be taken care of. How many industries is it anticipated the United States will lose? We do most of the exporting.

It is important that we have such facts. Someone in the executive branch should come forward with such a statement and not ask us to take a pig in a poke.

I feel certain that the distinguished Senator from Michigan [Mr. McNAMARA] does not understand why this agreement should be entered into. He does not believe the agreement is in the interest of the United States.

Mr. McNAMARA. I think that many factors enter into it.

Mr. President, I understood the Senator from Louisiana planned to yield to me.

Mr. LONG of Louisiana. I yield to the Senator from Michigan.

Mr. McNAMARA. Does the Senator from Louisiana yield the floor?

Mr. LONG of Louisiana. Yes.

Mr. McNAMARA. Mr. President, I am not at all convinced that the Automotive Products Trade Act does as much for the United States as it does for Canada. Nor am I convinced that it provides employees and U.S. manufacturers—other than the automakers—sufficient protection.

However, I submit an amendment which, if adopted, would at least assure the people of Michigan something from the bill.

The amendment would express the sense of Congress that the United States and Canada reach agreement on the status of the Blue Water Bridge between Port Huron, Mich., and Sarnia, Ontario.

Let me give a brief account of the problem that causes me to take this position.

On April 8, 1937, the State of Michigan and the Province of Ontario agreed that when the bonds which were sold to finance the construction had been paid off, they would remove all tolls from the bridge.

The Premier of Ontario, the Honorable Mitchell Hepburn, speaking at the dedication of the bridge on October 10, 1938, is reported by the Sarnia Observer to have said:

This cooperation has been shown in a practical way. It has been instrumental in no small manner, in having this project conform with the considered policy of the Ontario administration, namely, that of having such international bridges, after the bonds are retired, revert in title to the international authorities in trusteeship for our two peoples. Thus toll-free bridges will serve in perpetuity the generations to follow on this continent.

In keeping with this agreement, tolls were discontinued on the bridge on March 1, 1962, by the State of Michigan, following the retirement of the bonds.

Gov. John Swainson had no choice. Very properly he lived up to agreement entered into by the State.

He was aided in making this decision by a reminder from the Bureau of Public Roads of the Department of Commerce that the removal of the tolls was required by its agreement with the State to provide assistance in building the U.S. approaches to the bridge.

Had the Governor not complied, the State would have been in danger of losing all its Federal highway subsidies.

After 2 years of toll-free operation, the Government of Canada, acting unilaterally, on August 27, 1964, reestablished tolls, collecting them from vehicles crossing in both directions and using them for the operation and maintenance of the Canadian half of the bridge.

The tolls that have been established must be paid by residents of Canada and the United States alike, despite the fact that the State of Michigan has been appropriating funds from its general revenues to operate and maintain its half of the bridge.

The State of Michigan, through the U.S. Department of State, has attempted in vain to obtain an agreement with the Canadian Government by which the terms of the original agreements for toll-free operation could be carried out.

The Canadian Government refuses to recognize the validity of the agreement signed by the Province of Ontario and refuses to carry its share of the costs of the bridge in the same manner as the State of Michigan and in the manner that was clearly intended when the bridge was built.

It may be that the Canadian Government is technically correct in denying any validity to an agreement entered into by a Provincial government. But it is morally wrong in repudiating it, and it is certainly treating U.S. residents who use the bridge in a most discriminatory way.

They pay twice, while Canadians pay only once. Residents of the United States pay their taxes, out of which their share of the costs is appropriated, and then they help the Canadians pay their share by paying a toll every time they use the bridge.

We are going to a lot of trouble in the pending bill to help Canada to get a larger share of the auto manufacturing business of the North American Continent, and this is to some extent to the detriment of U.S. manufacturers and workers. The very least we can do is make this the occasion for ending a great injustice to U.S. residents using the Blue Water Bridge.

Mr. President, I ask unanimous consent that the text of the original 1937 agreement between Michigan and Ontario be printed at this point in the RECORD.

I also ask unanimous consent that a letter I received from the U.S. Department of State a year ago be printed in the RECORD.

There being no objection, the text of the 1937 agreement and the letter from the Department of State were ordered to be printed in the RECORD, as follows:

PORT HURON-SARNIA BRIDGE AGREEMENT

This agreement made this 8th day of April, A.D., 1937, by and between the State Bridge Commission of Michigan, the party of the first part; Murray D. Van Wagoner, State Highway Commissioner of the State of Michigan, party of the second part, and the Minister of Highways of the Province of Ontario, Canada, party of the third part, witnesseth:

That, for other valuable considerations and in consideration of the sum of \$1 now paid by each of the parties to the others of them, the parties hereby agree that when the construction bonds provided for in a trust indenture dated June 1, 1936, with reference to the construction of the main span of the proposed International bridge crossing St. Clair River at Port Huron, Mich., shall have been fully paid, the said bridge and its approaches shall be free from tolls or charges of any kind for its use by the public.

In witness thereof the parties hereto have caused this agreement to be executed in their names and under their seals by their proper officers on the day and year first above written.

STATE BRIDGE COMMISSION,
J. R. STEINBAUGH, *Chairman*.
W. C. STINSON, *Secretary*.
RUSSELL L. RIVET.
CAROL COLLEY.

MURRAY D. VAN WAGONER,
State Highway Commissioner of State of Michigan.

PARK HAMMOND,
DEPARTMENT OF HIGHWAYS
OF THE PROVINCE OF ONTARIO.
T. B. QUESTEN,
J. E. YORSTON.

DEPARTMENT OF STATE,
Washington, September 1, 1964.

HON. PATRICK V. McNAMARA,
U.S. Senate.

DEAR SENATOR McNAMARA: Thank you for your letter of August 18, 1964, to Secretary Rusk in which you refer to the history of the arrangements between the State of Michigan and the Province of Ontario concerning the Blue Water Bridge and the newspaper report that Canadian authorities plan to impose tolls for the use of the Canadian portion of the bridge as of September 7, 1964.

The Department of State has been concerned with the problem surrounding the imposition of tolls for the Blue Water Bridge since early 1962. The Michigan State Highway Department informed the Department at that time that the Federal Bureau of Public Roads, in view of the retirement of the bonded indebtedness of the bridge and the provisions of U.S. legislation (44 Stat. 1398, and section 204(g) of 48 Stat. 200) under which Federal aid funds were used in the construction of the U.S. approach to the bridge, was requiring the State of Michigan to cease imposing tolls for the use of the bridge. There were indications at that time that whether or not Michigan charged tolls for use of the U.S. portion of the bridge, tolls would be charged in Canada for use of the Canadian portion.

The Department raised the matter with the Canadian Government in view of the agreement signed by the Province of Ontario and the State of Michigan on April 8, 1937, which provides that "the parties hereby agree that when the construction bonds provided for * * * shall have been fully paid, the said bridge and its approaches shall be free from tolls or charges of any kind for its use by the public."

At an intergovernmental meeting June 5 and 6, 1962, attended by United States and Canadian Federal officials, as well as officials of Michigan and Ontario, the two governments discussed primarily the regulation of international bridges generally, but also the problem of the Blue Water Bridge. The Department referred to the Michigan-Ontario Agreement of 1937 and urged the Canadian Government not to permit tolls to be charged for use of the Canadian portion of the bridge. The Canadian representatives stated that the 1937 agreement was entered into by Ontario without the knowledge or authority of the Canadian Federal Government and that the Canadian Government did not consider the agreement legally binding. Furthermore, the title to the Canadian portion of the bridge was, upon payment of the bonded indebtedness, to pass to the Canadian Federal Government or to its designee. The Canadian Federal Government has been informed by the Province of Ontario, its intended designee, that Ontario would not accept title to the bridge unless Ontario was authorized to impose tolls sufficient to cover the costs for its maintenance and operation. The Canadians stated that the Canadian Government was not willing to foot costs for the operation and maintenance of the bridge, and as it considered the Michigan-Ontario agreement to be legally invalid, it would probably designate Ontario as recipient of title to the Canadian portion, authorizing Ontario to impose tolls to cover its maintenance and operation. In reply to the Department's urging that the spirit of the 1937 agreement be honored in view of Ontario's moral, if not legal, obligation, the Canadian officials indicated that the agreement was signed largely because of requirements of U.S. legislation under which Federal aid funds participated in the construction of the U.S. approach. They indicated that, of course, the requirements of U.S. legislation that the bridge become toll free could not be operative on the Canadian side of the boundary.

After the June 1962 meeting, representatives of the Department of State on several occasions urged that the Canadian Government not authorize the imposition of tolls for use of the Canadian portion of the bridge. It was pointed out that since the Federal Bureau of Public Roads was not in a position to authorize Michigan to impose such tolls, the imposition of tolls in Canada would have the effect of requiring bridge users resident in Michigan to pay for maintenance of the

U.S. portion of the bridge from Michigan State revenues while paying also for maintenance of the Canadian portion through tolls, while all other uses of the bridge resident in the United States and Canada would pay only tolls for the maintenance of the Canadian portion of the bridge. At a further intergovernmental meeting on international bridges February 7, 1964, the Department was shown the bill which the Canadian Government proposed to submit to the Canadian Parliament, authorizing, inter alia, the levying of tolls for the use of the Canadian portion of the bridge to cover maintenance and operation costs. At the meeting the Department restated its position of the previous meeting.

In view of the passage since that time of the above-mentioned Canadian legislation, it is extremely unlikely that the Department can successfully urge the Canadian Government to reconsider its position on this matter. We are, however, requesting the U.S. Embassy at Ottawa to bring your letter to the attention of the Canadian Department of External Affairs. We are asking Embassy Ottawa to inquire whether the newspaper clipping enclosed with your letter is an accurate report of proposed Canadian action.

We shall communicate with you further upon receipt of a report from the Embassy at Ottawa.

Sincerely yours,

ROBERT E. LEE,
Acting Assistant Secretary for Congressional Relations.

Mr. President, I submit the amendment and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. McNAMARA. Mr. President, I thank the Senator for yielding.

A VALUED SENATOR

Mr. CARLSON. Mr. President, those of us who are privileged to serve in the U.S. Senate understand and appreciate the outstanding service rendered by our distinguished minority leader, the junior Senator from Illinois [Mr. DIRKSEN].

His service is also appreciated by our citizens generally. From time to time we receive some very fine and outstanding press comments regarding the service rendered by our distinguished minority leader.

I ask unanimous consent that an editorial entitled "Valued Senator" which appeared in the Saturday, September 18, 1965, issue of the Commercial-News of Danville, Ill., be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VALUED SENATOR

Our Senator EVERETT McKINLEY DIRKSEN, Republican of Illinois, has been called both President Johnson's most valuable ally among congressional Republicans and a staunch anti-Johnson conservative.

Both descriptions fit. As Senate GOP minority leader, Senator DIRKSEN has helped Mr. Johnson obtain such legislation as the voting rights bill which would not have passed without Republican help. He also is a staunch supporter of the President's Vietnam policy.

But when basic issues of freedom from the conservative viewpoint are involved,

DIRKSEN is willing to use every parliamentary device in the book (and he knows them all) to counter the big Democratic majority in the Senate.

The latest display of DIRKSEN working in this way came the other day when he blocked President Johnson's immigration bill in the Senate Judiciary Committee.

DIRKSEN did so in an attempt to force the committee to report out his proposed constitutional amendment modifying the U.S. Supreme Court's one man-one vote dictum on State legislatures.

A majority of Senators favored an earlier version of the amendment, but it failed to get the required two-thirds majority. DIRKSEN believes that his revised version will make the grade if it gets by liberal Democrats' opposition in committee.

DIRKSEN also has promised to throw up plenty of parliamentary roadblocks to stop Senate repeal of State right-to-work laws. With only a bare majority reportedly favoring the measure backed by unions and the President, DIRKSEN stands a good chance of winning that battle.

Senator DIRKSEN is an independent-minded lawmaker who works hard to preserve the two-party system in the Senate, consistent with national interest. The Nation owes him its appreciation.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 205. An act to amend chapter 35 of title 38 of the United States Code in order to increase the educational assistance allowances payable under the war orphans' educational assistance program, and for other purposes;

H.R. 728. An act to amend section 510 of the Merchant Marine Act, 1936;

H.R. 1274. An act for the relief of Mrs. Michiko Miyazaki Williams; and

H.J. Res. 673. Joint resolution making continuing appropriations for the fiscal year 1966, and for other purposes.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. LONG of Louisiana. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until tomorrow at 11 a.m.

The motion was agreed to; and (at 5 o'clock and 51 minutes p.m.) the Senate adjourned until Thursday, September 30, 1965, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 29, 1965:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Francis Keppel, of Massachusetts, to be an Assistant Secretary of Health, Education, and Welfare.

POSTMASTERS

ALABAMA

Gene L. Tisdale, Brantley.

Daniel W. Johnson, Jr., Headland.

ARIZONA

Elmore H. Husband, Flagstaff.
Nolan G. Mack, Gilbert.
Leona L. Crabtree, Tacna.
Lindell V. Cornelson, Tuba City.

ARKANSAS

Robert C. Mabry, De Queen.
Max G. Cope, Monette.

CALIFORNIA

James L. Tinnin, Coyote.
Walter W. Coleman, Escondido.
Nillo J. Jacobson, Fort Bragg.
Rose M. Calpen, Independence.
Donald L. Sheehy, Norco.
Roy A. White, San Joaquin.
Guy Rossi, Sierra Madre.

CONNECTICUT

Edward J. Coyle, Stratford.

FLORIDA

Roger A. Lopp, Dundee.
Bessie M. Osteen, Osteen.
Hazel T. Stevenson, Sebastian.
James H. Acker, Vero Beach.

GEORGIA

Alice A. Marshall, Appling.
John G. Butler, Savannah.

HAWAII

Tom T. Morita, Kapaa.

ILLINOIS

Byrel F. McFarland, Allendale.
Henrietta E. Leischner, De Land.
Herman R. Savage, Jr., Farmer City.
Kenneth G. Kuper, Ingleside.
Howard L. Roach, Kirkland.
Clayton E. Saunders, New Boston.
Edna A. DeVoe, Shirland.
Elmer B. Keller, Stewardson.

INDIANA

Fred D. Janney, Gaston.
Merrill K. Lambert, Hope.
Cletus H. Engler, Lawrenceburg.
Ralph E. Manifold, Mooreland.
Raymond T. Elliott, Portland.
Myron D. Barnes, Rosedale.

IOWA

Darrell B. Daugherty, Adel.
Edgar A. Cox, Charlotte.
Pat McGuire, Cushing.
Robert E. Delk, Hudson.
Dean A. Cowger, Mediapolis.
Mildred E. Howell, New Liberty.
Murel L. Scherbring, Red Oak.
Paul E. Beumer, Rock Valley.
George W. House, Sigourney.
Edward J. Delaney, Stuart.

KANSAS

Kenneth H. Anderson, Johnson.
James G. Beedle, Matfield Green.

KENTUCKY

Bennie G. Faulk, Mortons Gap.
Pauline H. Applegate, Tollesboro.

LOUISIANA

James A. Hoyt, Cheneyville.

MAINE

Raymond A. Banks, Liberty.
Alvin G. Spicer, Limestone.

MARYLAND

F. Wallis Wheeler, Silver Spring.

MICHIGAN

Allison W. Green, Dafter.
Harold L. Hutchinson, Deerfield.

MINNESOTA

Gerald W. Leland, Bricelyn.
Frank E. Henderson, Elkton.

MISSISSIPPI

James R. Triplett, Flora.
William R. Robison, Hamilton.

Joe A. Wood, Hazlehurst.
Charles H. Wellington, State College.

MISSOURI

Swepton W. Krauss, Eldon.
Dale M. Baker, Kingston.
Albert L. Mix, Osborn.

MONTANA

Myron G. St. John, Opheim.

NEW HAMPSHIRE

Vernon F. Hall, Bradford.

NEW JERSEY

James Luciano, Florham Park.
Gordon M. Thomson, Tuckahoe.
Frank V. Lancetta, Winslow.

NEW YORK

E. Miner Farwell, Belmont.
Doris R. Swartz, Breesport.
Albert T. Matthews, East Islip.
Jessie W. Campbell, Georgetown.
Guy Applebee, Port Byron.
Albert G. Evans, Saratoga Springs.
Louis M. Trivisono, Staten Island.

NORTH CAROLINA

Luther E. Taylor, Jr., Faison.
Hardy L. Vause, Hookerton.
Charles P. Smith, Rowland.
Rhoda L. Lewis, Sneads Ferry.
Marvin F. Shebester, Swepsonville.
L. Yale Miller, Wilkesboro.

NORTH DAKOTA

Carroll D. Tudahl, Berthold.
Glenn D. Heldt, Rocklake.

OHIO

Dorothy V. Benson, Barlow.
William L. Cale, Cambridge.
Virgil L. Detty, Londonderry.
Treva M. Betts, Risingsun.
Ruie J. Smith, Walhonding.
Lulu V. Guderjahn, West Salem.

OKLAHOMA

Edward O. McCarty, Skiatook.

OREGON

Elmore D. Spencer, Salem.

PENNSYLVANIA

John S. L. Halenar, Coatesville.
Edwin V. Strohl, Hellertown.
Lena I. Snyder, Quincy.
Hale Truitt, West Grove.

SOUTH CAROLINA

James D. Watson, Jr., Elgin.
Luther V. Mayer, Jackson.
Cecil B. Guerrier, Jamestown.
Fred B. Setzler, Jr., West Columbia.

TENNESSEE

Betty C. Street, Antioch.
Marvin G. Scott, Scotts Hill.

TEXAS

John O. Towler, Baird.
Mary R. Cartwright, Boerne.
William E. Rogers, Center.
Ben W. Laird, Kilgore.
Charles E. Lindsey, Memphis.
Nonnie S. Kelley, Montgomery.
Jewell C. Lewis, Pottsboro.
Calvin D. Conder, Powderly.
Gwendolyn S. Bailey, Simonton.
John G. Hagan, Jr., Whitehouse.
John W. Bruckner, Wimberley.

VIRGINIA

Harold J. Workman, McGaheysville.
Theodore Raines, Vansant.

WASHINGTON

Mike Montanye, Goldendale.

WEST VIRGINIA

Harry J. Reitter, Colliers.
Julia A. Warrick, Glen Dale.
Genevieve D. Kessel, Gormanla.